

U.S. Lawmaker Sees Danger in Proposal On Europe Missiles

WASHINGTON — The chairman of the House Armed Services Committee said Sunday that the proposal on medium-range missiles in West Europe was "a little bit dangerous" while the chief

Soviet deployment of SS-20s in the late 1970s began the debate over missiles. Page 6.

Soviet negotiator at the Geneva arms talks expressed optimism that an agreement could be reached by the end of the year.

"I think that there is a possibility now to reach an agreement, if there is a real willingness to do so without raising any artificial obstacles," said Viktor P. Karpov, the chief Soviet arms control official, in a U.S. television interview.

Representative Les Aspin, a Wisconsin Democrat, chairman of

the House Armed Services Committee, said he was worried by the proposals. Mr. Aspin was part of a congressional delegation that met with the Soviet leader, Mikhail S. Gorbachev, last week.

Mr. Aspin said the agreement being worked out "worries me a very, very great deal" adding, "I think that this business of gradually eliminating sections of nuclear weapons is not a very smart idea given the fact that as long as there's a conventional imbalance in Europe we're going to need nuclear weapons."

"It's a process there that I think is a little bit dangerous," he said. "We're eliminating the safest weapons and leaving in the most dangerous."

Mr. Aspin appeared on the same program as Mr. Karpov, director of the Soviet Foreign Ministry, and a U.S. presidential adviser, Paul H. Nitze.

Mr. Karpov said that during his talks with Kremlin leaders in Moscow last week, Secretary of State George P. Shultz was given "an exact deal that would lead to the meeting" with Mr. Gorbachev "in the autumn or at the end of the year" to sign arms agreements.

Mr. Nitze said an agreement could be reached by May after U.S. officials take the U.S.-Soviet proposals to NATO's military and political leaders.

"I think all those things can be done in not more than another couple of weeks," Mr. Nitze said.

"If I am any judge of things," said Jim Wright of Texas, the Democratic speaker of the House of Representatives on another interview program, "this is the best opportunity we've had since World War II" to have an arms agreement.

On the same program, Richard N. Perle, the assistant defense secretary who oversees Pentagon arms control matters, expressed similar guarded optimism.

"I would think the chances are quite good for a summit," he said, "provided we settle the issue of verification, and provided we get a satisfactory solution to the short-range missile problem."

The United States is considering a proposal discussed last week by Mr. Shultz and Mr. Gorbachev under which each country would eliminate all of its medium-range missiles in Europe, while keeping 100 warheads on its own territory.

Mr. Gorbachev also proposed eliminating short-range missiles in Europe, an idea that has raised concerns among some NATO allies and American lawmakers wary of the Soviet conventional force advantage in Europe.

The American officials on the programs differed about the budgetary implications of a removal of some American and Soviet weapons from Europe.

Mr. Wright said that with an arms control agreement, "we can begin to make some dent in these huge deficits" of about \$200 billion. See ARMS, Page 6.



Beating drums, supporters of the Argentine government demonstrated Sunday at the Plaza de Mayo in Buenos Aires.

Rebel Soldiers Surrender After Visit by Alfonsín

BUENOS AIRES — President Raúl Alfonsín of Argentina said Sunday that the remaining leaders of a four-day army rebellion had surrendered and would be detained.

He made the announcement shortly after he visited the Campo de Mayo base and talked to the leader of the rebels, Lieutenant Colonel Aldo Rico.

The president flew to Campo de Mayo after saying, at a huge rally in the central square outside Government House in Buenos Aires, that he would make a personal plea to the rebels. He asked the crowd to wait, saying he would return soon with a reply.

After his return, he told the crowd that the rebels had laid down their arms and had been arrested. "Today we can give thanks," Mr. Alfonsín said. "The house is in order and there is no blood."

The government earlier delayed military action against the rebels, amid reports that loyalist troops were resisting orders in attack.

General Ernesto Alais, commander of the government troops, said he had ordered a delay in attacking the rebels, whose leader had vowed to fight to the death.

The uprising began Wednesday when Major Ernesto Guillermo Barreiro refused to appear in a civilian court for questioning about abuses committed in an army-run detention center in Córdoba in the mid-1970s.

The army leadership responded by dismissing him. He then took refuge in the officers' club of the 14th Airborne Regiment, where he was joined by other mid-level officers.

Major Barreiro fled Friday by car out a back gate of the Córdoba base. His supporters in Córdoba later ended their rebellion, but the rebels at Campo de Mayo refused to surrender.

Up to 600 rebels were en- See REBEL, Page 6



Lieutenant Colonel Aldo Rico, the rebel leader, at Campo de Mayo army base.

Klosk French Reactor Closed by Leak

PARIS (AFP) — A reactor at the Fessenheim nuclear plant near the Rhine River in northeastern France was temporarily shut down after a vapor leak Sunday, officials said.

Officials said radioactivity levels in the released vapor were "not significant" but that they would "proceed anyway with the necessary checks" to ensure public safety.



Clayton K. Yeutter, the U.S. trade representative, is in Tokyo to discuss U.S. sanctions against Japan. Page 7.

GENERAL NEWS

- Philippine troops put down a revolt, killing one. Page 2.
- Fidel Castro speaks of sports and AIDS. Page 3.
- SPORTS
- Three Phoenix Suns' players face drug charges. Page 12.
- BUSINESS/FINANCE
- Dome Petroleum of Canada accepted a \$3.86 billion takeover offer from Amoco. Page 7.

U.S., Soviet Gorbachev Suggests U.S. Blacks Live To Exchange In Separate States, Congressmen Say Test Sites

By Bill Keller

New York Times Service

MOSCOW — Mikhail S. Gorbachev has suggested to some members of Congress that the United States solve its race problems by setting up separate states for blacks and other minorities, according to several members who were present.

Some members of the American delegation said they were startled by the Soviet leader's remark last week. The comment was part of a stern lecture against American interference in Soviet human-rights practices.

Members of Congress said the remark appeared to be spontaneous, and Mr. Gorbachev did not explore it in detail.

But several of those present said they felt the comment reflected a fundamental misunderstanding of how Americans viewed minorities and did not bode well for a meeting of minds on human-rights issues.

"Mr. Gorbachev was rather informed about the desires and aspirations of black people in America," said Representative Mickey Leland, a Democrat of Texas.

Mr. Leland, who is black, said that he found the remark "somewhat offensive" and that he mentioned his concern to the Soviet leader as the members of Congress were filing out of the Kremlin meeting room. He said the Soviet leader listened politely and made a noncommittal response.

Representative Les Aspin, a Wisconsin Democrat, recalled that Mr. Gorbachev's comment echoed an idea endorsed by the United States Communist Party in the 1930s to carve out an all-black state in encompass Mississippi and Alabama. The idea was not well received by American blacks.

Those interviewed said that apart from his human-rights remarks, Mr. Gorbachev impressed

them as politically savvy, energetic and committed to change.

According to Representative Norman D. Dicks, a Democrat of Washington, Mr. Gorbachev complained that the United States of-

A U.S. aide saw little hope for increased Soviet Jewish emigration. Page 2.

ten criticized shortcomings in the Soviet Union, but is not "self-critical."

He said the Soviet Union's system of nominally autonomous republics was based on ethnic background and culture, including small regions named for such minorities as Tartars, Jews and Chukchi Indians.

Mr. Dicks said Mr. Gorbachev

suggested that the United States consider providing such separate states for blacks, Puerto Ricans and Polish-Americans.

Report Is Denied

U.S. and Soviet officials on Sunday denied that Mr. Gorbachev made such a suggestion seriously. Reuters reported from Washington.

"He was talking in terms of what they are trying to do in order to create more integrity for their ethnic minorities in their country," said Jim Wright of Texas, the Democratic speaker of the House of Representatives and one of the congressmen who was in Moscow last week.

"It was somebody's invention," said George A. Arbatov, director of the Soviet Institute for U.S. and Canadian Studies.

See REBEL, Page 6

A Dwindling of U.S. Power? In Economic Retreat, a Nation Assesses Lost Ground

By Peter Behr

Washington Post Service

WASHINGTON — William E. Leuchtenburg, a prominent historian at the University of North Carolina, is writing the story of America since 1945 for the eagerly awaited Oxford History of the United States.

Looming over that assignment, he said, is a central question: Is the United States slowing down?

Can the nation still generate the expanding harvest of wealth that has backed up its ambitious promises to its citizens and the rest of the world?

"It is the single biggest issue that concerns me," Mr. Leuchtenburg said. "It may be true — we don't know — that no matter how hard we compete, we will still not see the kinds of gains that we knew in the 1950s and 1960s, that we have reached some sense of limits."

If so, the United States faces both economic and political pressures of a new magnitude, he said.

The President's Commission on Industrial Competitiveness headed by John A. Young, the president and chief executive of Hewlett-Packard Co., said two years ago: "Our world leadership is at stake and so is our ability to provide for our people the standard of living and opportunities to which they aspire."

Many surface measurements of the economy's health have not suggested that the United States is running out of steam. For instance, a soaring stock market has created billions in trading profits for investors.

The economy is "muddling" along, to use the economists' favorite description, and most Americans are muddling right along with it.

But a deeper look shows a pattern of erosion in U.S. competitiveness compared with major foreign rivals and an economic vulnerability unknown since the Great Depression of the 1930s.

The United States has been losing ground to competitors in working productivity, corporate profitability, educational achievement, research efforts and innovation, and shares of worldwide markets.

The decline began in the 1970s, but was hidden from sight at first, until exposed by the sudden collapse of the U.S. position in world trade, said George N. Hatsopoulos, a Massachusetts business executive and author of several studies on competitiveness.

That other nations would close the economic gap with the United States was both inevitable and intentional, particularly in the case of Japan and West Germany, whose revival was a goal of U.S. foreign policy after World War II.

But now the gap has closed and

as the United States tries to accelerate, it finds itself bent over by an unfamiliar weight. Almost overnight, the United States has been transformed into a debtor nation.

The U.S. deficit in the flow of goods and services in and out of the country, from 1982 to 1986, totaled \$420 billion and may reach an ac-

counted \$700 billion by the end of 1990, according to George L. Perry, an economist with the Brookings Institution.

The indebtedness means that the economic fate of the United States is linked more tightly than ever to the rest of the world. If the United States cannot take timely, careful action to reduce its budget and trade deficits, it runs an increasing risk of setting off a worldwide economic crisis, as Paul A. Volcker,

chairman of the U.S. Federal Reserve Board, the U.S. central bank, warned.

"The vulnerability of the United States is much greater than it used to be," said C. Michael Aho, senior economist with the Council on Foreign Relations.

A glaring symptom of the new environment is the rapid deterioration of the U.S. position in trade.

In the past five years, foreign goods have flooded the U.S. market, primarily because the high value of the dollar made foreign products cheaper in the United States while boosting prices of U.S. exports abroad, and because of the faster growth of the U.S. economy compared with economies in Europe and Japan.

The imports have brought many benefits to the United States: jobs, low prices and reduced inflation, new innovation and ideas from abroad. Imports have forced overweight U.S. industries to become more competitive.

But the imports also have canceled hundreds of thousands of manufacturing jobs. Many of the new jobs created in their place by a fast-growing U.S. service sector have paid significantly less, on average, than the lost manufacturing jobs.

The result is the meager increase See COMPETE, Page 2

"I wouldn't say we face a lower living standard, but maybe a plateauing."

— Jerome M. Rosow, president of the Work in America Institute

A Dutch Abbey's Easter for 'Dispossessed'

By Francis X. Clines

New York Times Service

HEESWIJK, the Netherlands — A bright pile of yellow flowers, fresh cut from this nation's spring treasure of blossoming fields, was all that punctuated the Good Friday hush when Jesus was pronounced dead once more in the church of Berne Abbey.

"He bowed his head," the priest chanted at the altar, singing in Dutch the old tale of Jesus's crucifixion agony. "And he died."

The church was filled and the congregation instantly went to its knees, just as all of Roman Catholicism did this Easter weekend, in preparation for the Sunday celebration of resurrection and the victory over death.

Here at Berne Abbey, such a scene might have seemed unusual for less knowledgeable outsiders who regularly come to visit the famous "bedolmen" Catholic abbey run by the Reverend Arthur Baeten.

He is the abbot of the Berne congregation of Norbertine monks, and he understands Jesus's gospel to mean that he must offer old-fashioned church sanctuary to those he has termed "the Vatican's dispossessed" — dissenting Catholic priests and laymen.

Homosexuals, lesbians, unmarried and remarried lay people whose unions are condemned, these and more are welcomed to Berne Abbey to reside and confer for a time in a religious atmosphere. Various people who might be denied the sacraments elsewhere but who consider themselves true



HOMOSEXUAL PROTEST — A Dutch homosexual wearing a pink triangle with the legend "practicing homosexual and Catholic" at an Easter Mass in Den Bosch to protest the policy of Bishop Johannes ter Schure to refuse communion to homosexuals. The pink triangle was the symbol used by the Nazis during World War II to identify homosexuals.

Catholics receive communion and reside in the 855-year-old abbey.

The abbot, who is thought to be more than routinely monitored by his superiors in the church bureaucracy in Rome, has lately been avoiding outside interviews, although his views remain consistent with the sanctuary policy.

"After much heart-searching, I decided that the time has come for Berne to regain its original function as a place of refuge," Father Baeten said when he first opened the abbey

to troubled Catholics several years ago. "All those to whom the fields in the flat glare of the Holy Communion are welcome in worship as they wish in a church they can believe in."

This extra hand extended in Jesus's name in the flat glare of the fields in the southern Netherlands is hardly a matter of concern for many Dutch Catholics, who proudly point to their individualism over the years in dealing with official pronouncements.

Attendance at Mass among the 5.5 million baptized Catholics, who are more than a third of the Dutch population, has fallen to about 20 percent currently from 60 percent in the 1960s.

In fighting for its own orthodoxy, the church hierarchy's latest bans and cautions against supporting euthanasia and homosexuality in Holland have come to be at odds with public opinion polls that show Catholic laymen mainly accept this

See DUTCH, Page 6

Frequent Fliers, Frequent Litigants

Airlines' Changes in Rules for Awards Prompt Lawsuits

By Eric Schmitt

New York Times Service

NEW YORK — For the past seven years Raymond W. Zrike went out of his way in fly Trans World Airlines, and last month it was about to pay off: He passed the 30,000-mile mark, enough in get two free first-class round-trip tickets to Europe.

That is, until TWA notified him it had raised the requirement for that award in its "frequent flier" program to 110,000 miles, effective April Fool's Day.

"I'm so aggravated — I was just about to use the award," said Mr. Zrike, 64, a glassware importer in Manhattan, who still may go to Europe this fall using a lesser award. "Over the years I could have chosen other airlines instead of TWA. This is unfair and unethical, if not immoral."

Participants in frequent flier programs, mainly full-fare business travelers who are the airlines' most loyal and profitable customers, are up in arms over

recent decisions by many carriers to increase mileage levels needed to win free trips or better seats to such popular destinations as Hawaii and Western Europe.

Many travelers say they were on the brink of reaching awards for big trips when the airlines upped the ante. Most lines have given travelers at least a month's notice to redeem their miles under old award schedules, but many fliers say that is not enough warning.

The airlines, which have periodically tinkered with the award levels, but never on such a sweeping basis, have always reserved the right to change their programs. And they say now that they have lowered as many levels as they have raised, and have added some new prizes.

The controversy casts a cloud over one of the most successful marketing gimmicks in airline history. Three states are conducting consumer fraud investigations and at least two lawsuits have been filed against airlines

by groups representing passengers as a class.

"Under their agreements, the airlines can change their programs anytime," said Spencer J. Marks, a lawyer who represents a group of frequent fliers in Chicago suing United Airlines. "I've no problem with that. But they can't do it retroactively. It's a fraud to induce someone to do something, then take away the benefits."

The unbridled growth of the programs has contributed in the current situation. Airlines are offering more bonus points than ever through an array of participating commuter and foreign airlines, hotels, rental car companies and even credit card tie-ins.

That adds up in more people redeeming awards, which the airlines say has forced them to raise the number of giveaway seats on certain flights. One problem they cite is that travelers flying free to

See FLY, Page 6

Philippine Loyalists Put Down Army Revolt

MANILA — One mutineer was killed and two hostages wounded as forces loyal to President Corason C. Aquino put down an eight-hour revolt by a small group of soldiers over the weekend.

The armed forces chief of staff, General Fidel V. Ramos, said the mutineers would face "severe punishment."

The military said it was holding 12 soldiers under heavy guard at army headquarters in Manila after crushing the mutiny, during which the rebels demanded that Mrs. Aquino resign and hand over power to the military.

[Nineteen soldiers who joined the mutiny are missing, the official Philippine News Agency said Sunday, Agence France-Press reported.

[The names of the 19 soldiers, who were among those freed by the rebels, were missing from the official list of those who were recaptured, the government news agency said, citing military reports.

"I don't know what happened," the agency quoted an armed forces spokesman, Colonel Honesto Isleta, as saying. "They may still be hiding inside the camp, kept by sympathizers, or they may have escaped."

Led by a former sergeant Ernesto Librado, a member of the bodyguard unit of former President Ferdinand E. Marcos, the soldiers seized the headquarters building and tried to release 102 soldiers awaiting court-martial for their alleged part in a military revolt in January, a presidential statement said.

It said that 42 of the detained soldiers, as well as nine military policemen guarding them, joined the group.

Mr. Librado has been absent without leave from the army since Mr. Marcos fled the Philippines for exile in Hawaii.

The mutiny erupted at 3:45 A.M. Saturday when 13 rebel soldiers in a truck rammed their way through the main gate of Fort Bonifacio, the army headquarters in Manila, the statement said.

General Ramos said later that when the rebels found the camp's gate blocked they raided an armory, seized about 10 guns, and then occupied the main headquarters building after taking about 20 hostages, including four colonels, Captain Isidro Codera of the navy and some civilian janitors.

General Ramos said Captain Codera and an unidentified civilian were wounded in an exchange of fire. He did not give further details.

General Ramos said an assault on the building was ordered "with instructions that there must be a minimum number of casualties." The mutiny ended shortly afterward. Two of the rebels were captured and the rest surrendered.

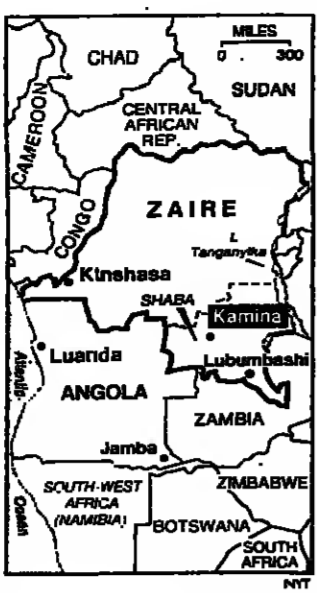
Witnesses said 200 troops backed by armored vehicles had surrounded the building.

It was the fourth time Mrs. Aquino has faced open revolt by dissident soldiers since she took power 14 months ago. The president has also been buffeted by frequent rumors of coup plots by military officers unhappy with her handling of the 18-year-old Communist insurgency.

The Manila area commander, Brigadier General Alexander Aguirre, said on Monday that pro-Aquino forces had temporarily neutralized a plan by disgruntled soldiers to take over an international school and vital installations.

Defense Minister Rafael Illo said there were unverified reports of a coup plot by about 1,000 low-level soldiers.

General Ramos said the military was still trying to determine whether the latest mutiny was an isolated incident or part of a fresh coup attempt.



U.S. Troops Train With Zaire Forces

By David B. Ortaway
Washington Post Service

WASHINGTON — U.S. Army Special Forces has begun a joint exercise with Zairian troops at an air base in southern Zaire that the Defense Department wants to rehabilitate for possible use in southern Africa.

The two-week exercise, sponsored by the U.S. European Command and called Fintlock-87, began Tuesday and involves "less than 500" army, navy and air force personnel from Europe and the United States, according to Pentagon and State Department officials.

A Pentagon spokesman said the exercise does "not relate in any way to current world problems or tensions" and will not involve any investment of U.S. money or materials in the Zairian air base.

The air base, at Kamina in Shaba Province, is the installation the Central Intelligence Agency has reportedly been using to transport the bulk of \$15 million of covert U.S. military assistance going to Jonas Savimbi's guerrilla forces fighting the Marxist government in Angola.

Any expenditures on restoring the base would require the United States to negotiate a formal access agreement with Zaire.

Angolan Rebel Claim

Mr. Savimbi's rebel group, the National Union for the Total Independence of Angola, said Saturday that it controlled the strategic Benguela railway and said it would not allow the rail line to reopen unless the government in Luanda agreed to negotiate with them, Reuters reported from Lisbon.

A spokesman for UNITA said that a plan announced by the leaders of Angola, Zambia and Zaire to reopen the 1,200-mile (1,920-kilometer) railroad would not succeed without negotiations.

"If they do not negotiate," the spokesman said, "the railway will not be able to reopen."

Pope Pleds For Dignity In Age of Technology

VATICAN CITY — Pope John Paul II, in his Easter message, urged people not to lose reverence for life in an age of technology and to respect the dignity of human beings.

"May the man of the technological age not reduce himself to a mere object but, from its very beginning, the unrenounceable dignity that is proper to him," the pope said Sunday in the address traditionally called Urbi et Orbi — to the city of Rome and to the world.

At the culmination of the Roman Catholic Church's Easter celebrations, the pope celebrated Mass for more than 300,000 people in St. Peter's Square.

Afterward, delivering his message in Italian, the pope urged people "always to respect the transcendent dignity of all their fellow human beings, whether they be poor or hungry, imprisoned, sick, lying, wounded in body or mind, beset by doubt or tempted to despair."

"They always remain the children of God," he said. "Each one deserves respect and support, deserves love."

After his address, the pope wished the world a happy Easter in 50 modern languages and in Latin. He spoke in all the Eastern European languages, ending with his native Polish. Among the other languages he used were Arab, Hebrew, Thai, Tamil and Swahili.

In Northern Ireland, meanwhile, thousands of Protestant and Catholic marchers defied new British laws by taking part in traditional Easter parades, watched over by police and army security forces.

In Belfast, prominent members of Sinn Fein, the political wing of the Irish Republican Army, commemorated the 1916 Easter rebellion by marching through Catholic strongholds.

New public order laws require marchers to give police at least seven days notice of a rally.

The IRA staged a show of strength in Londonderry, where 11 men and women took over a street in the Creggan neighborhood.

Easter rallies in West Germany brought out several thousand demonstrators in support of nuclear disarmament, organizers said.

Among the biggest rallies were a demonstration by about 2,500 people at the U.S. cruise missile base at Hesselbach, south of Bonn, and one by about 1,000 people at the Pershing-2 missile base at Mutlangen, in southwest Germany.

There were no reports of disturbances.

The organizers of the protests included anti-nuclear, labor, church and leftist political groups. Mass rallies were also scheduled for Monday in several large cities.



A Toast to Honor Israel's Military Leader

Yitzhak Rabin, the Israeli defense minister, center, toasting the departing commander of the nation's armed forces, Lieutenant General Moshe Levy, right, on Sunday. Succeeding General Levy as chief of the general staff is Lieutenant General Dan Shomron, left, leader of the Israeli raid that rescued passengers of a hijacked airliner at the Entebbe airport in Uganda in 1976.

Arafat Foes End Boycott, Outlook Dim Will Attend Algiers Talks For Jewish Emigration

ALGIERS — A number of Syrian-based factions of the Palestine Liberation Organization are ending a boycott of the Palestine National Council, the PLO's so-called parliament in exile, to attend its session opening on Monday, one of the groups said Sunday.

Nayef Hawatmeb, head of the Damascus-based Democratic Front for the Liberation of Palestine, said at a news conference that all eight factions that had taken part in preparatory talks for the Palestine National Council would attend.

Among them is the Fatah-Revolutionary Command, headed by Yasser Arafat, better known as Abu Nidal, the group has opposed the policies of Yasser Arafat, chairman of the PLO.

Talking of a return to a "golden age" of Palestinian unity of the 1970s, Mr. Hawatmeb said: "This session of the PNC is held on the basis of PLO reunification and on the basis of 'correcting mistaken policies that have been prevailing in the past four years.'"

The Syrian-based groups opposed to Mr. Arafat boycotted the last session in 1984 of the council, the PLO's highest decision-making body.

The session will debate a proposed Middle East peace conference and Arab leaders have said they will be looking for a clear signal from the council on the issue before holding an Arab summit meeting, long-delayed because of quarrels among Arab nations.

A draft resolution was being drawn up calling for a peace conference attended by the five permanent members of the United Nations Security Council — the Soviet Union, the United States, Britain, France and China — an independent PLO delegation and other parties concerned in the Arab-Israeli conflict, PLO sources said.

The Syrian-based PLO groups have demanded a price for their attendance at the council meeting and for PLO reconciliation.

As part of that price, Mr. Arafat has announced cancellation of a 1985 accord by which Jordan, a decision yet to be formalized by a 42-member council.

In effect, the accord has been dead since the well-publicized split between King Hussein of Jordan and Mr. Arafat in February 1986, when Hussein suspended the agreement and accused Mr. Arafat of reneging on a pledge to support UN Resolution 242, which is among other things, recognizes Israel's right to exist.

Mr. Arafat also has come under strong pressure to cut relations with another moderate Arab nation, Egypt. It was the issue of contacts with Egypt that caused a major split in PLO ranks after a 1983 Syrian-backed rebellion against Mr. Arafat.

Mr. Arafat's group, el-Fatah, the biggest in the PLO, has made clear it supports continued contacts with Cairo, still officially shunned by most Arab nations, because of its 1979 peace treaty with Israel.

After nearly a week of negotiations in Algiers among eight PLO factions, the question of ties with Egypt remained unresolved, although a compromise might be agreed that groups could state their differing positions at the council meeting, Palestinian sources said.

Syria, seeing some of the Damascus-based groups drifting away from its control, has indicated it is ready to ease opposition to Fatah.

Egypt Ties Restored

Morocco, Algeria and North Yemen will restore diplomatic relations with Egypt, the newspaper Al-Qabas said Friday, United Press International reported from Kuwait. Relations have been severed since Cairo's peace agreement with Israel in 1979.

That pushes them beyond where we are?"

Mr. Haulk's question goes to the core of the debate over competitiveness. But it is only one theory about the relative decline in U.S. fortunes.

Economists tend to say that much of the erosion was inevitable, but they also blame Washington for aggravating things by gross economic mismanagement. At least two-thirds of the U.S. trade deficit and the battering suffered by U.S. industry in the 1980s was due to the dollar's rise between 1981 and 1985. That rise boosted prices of U.S. goods and cut competing foreign prices, according to many economists.

The dollar's rise was directly related to the decision by President Ronald Reagan and Congress in 1981 to grant a massive tax cut to Americans without a corresponding reduction in federal spending.

The decline in the dollar since February 1985 is helping revive U.S. manufacturers, but many economists are betting that the medicine is not enough to bring the trade deficit below \$100 billion a year in the foreseeable future.

WORLD BRIEFS

Prison Rejects Subpoena for Mandela

JOHANNESBURG (UPI) — A spokesman for the head of South Africa's prisons vowed Sunday to fight an attempt to have Nelson Mandela, the imprisoned leader of the African National Congress, testify in a treason trial.

The spokesman said Sunday the department had rejected a subpoena calling for Mr. Mandela, 68, to give evidence at a trial in Pietermaritzburg. Mr. Mandela has not been seen in public since 1964.

The prison spokesman said that lawyers defending nine black men convicted of treason were expected to continue attempts to obtain a court order for Mr. Mandela's temporary release from Cape Town's Pollsmoor Prison. He said the commissioner of prisons, General W.H. Willemse, intended to fight the move.

Sierra Leone Reports Invasion Threat

FREETOWN, Sierra Leone (Reuters) — Troops and armored vehicles were deployed along Sierra Leone's coast after intelligence reports indicated that external forces planned to invade the country, according to sources close to the Defense Ministry.

They could give no further details of the invasion plans, which came four weeks after Sierra Leone's president, Major General Joseph Saidu Momoh, foiled an attempt to overthrow him.

The sources said Saturday that soldiers patrolling Sierra Leone's borders had been increased and guards reinforced at Freetown's main prison, where suspected coup plotters are detained. Momoh loyalists quickly crushed the March 23 coup attempt and more than 30 persons were detained, including a former vice president, Francis Minah.

Soviet Lists Conditions for Israeli Ties

KUWAIT (Reuters) — A Soviet deputy foreign minister, Vladimir F. Petrovsky, on Sunday ruled out a resumption of diplomatic relations with Israel until that country gave up Arab lands taken in the 1967 Arab-Israeli war and agreed to international peace talks.

Mr. Petrovsky, addressing a news conference here at the end of a four-day visit, said he believed circumstances were right for an international Middle East peace conference.

He was also scheduled to visit the United Arab Emirates, Iraq and Oman, all Gulf Arab states with which the Soviet Union has diplomatic ties. Moscow has been pushing for an international conference under United Nations auspices to resolve the Arab-Israeli conflict and has said that the meeting should be attended by the permanent members of the UN Security Council as well as all parties directly involved.

Vietnam Reports Large Voter Turnout

BANGKOK (Reuters) — Vietnam reported a heavy turnout Sunday in general elections aimed at easing out the Communist Party's old guard and bringing in a new and more efficient government.

Voice of Vietnam radio said more than half the voters cast their ballots before noon. It was the third election since reunification in 1975 and the country's most open to date. Voters were offered 829 candidates for 496 seats and urged to pick a more dynamic legislature to carry out the new reformist policies set out by the ruling Communist Party.

Pham Van Dong, who has been prime minister since 1955, confirmed he would step down when the new assembly meets in June, according to the radio report, monitored here. "I've been in this post too long," Mr. Dong, 81, was quoted as saying. "The National Assembly will find a worthy person to hold this post," he said.



Pham Van Dong

U.K. Ferry Recovery Suffers Setback

BRUSSELS (Reuters) — The refloating of the British ferry Herald of Free Enterprise, in which up to 200 people are believed to have drowned, has been put back by at least four days after salvagers attached to it by salvage workers broke.

A spokeswoman for Townsend Thoresen, owners of the vessel, said Sunday that operations to bring the vessel upright from its 15-degree list in preparation for pumping out seawater were halted late Saturday.

The ship turned onto its side on March 6 just minutes after leaving Zeebrugge, Belgium, headed for Dover, England. The confirmed death toll stands at 174.

Afghans Kill 2 Soviet Border Guards

MOSCOW (UPI) — The Soviet news agency Tass reported that two Soviet border guards were killed in attacks by Afghan guerrillas inside Soviet territory.

Tass said that on the night of April 8, an Afghan force crossed the Pyandzh River and attacked a detachment of Soviet guards, two of whom were killed. The Afghans retreated after suffering heavy casualties, Tass said.

The report was the second from Moscow about attacks by Afghan guerrillas inside Soviet territory. On April 2, the newspaper Pravda reported there had been a rocket attack in March on the frontier settlement of Pyandzh, in which one civilian was killed and two others wounded.

For the Record

The "suicide death" of Ryabek Myrzhachev, first secretary of the Chirkent Communist Party in the Kazakhstan region, was announced Sunday by the Communist Party newspaper Pravda. (AP)

Annette Strauss became Dallas' first elected woman mayor on Saturday, outpolling Fred Meyer in the closest mayoral race in the city's history. With all 281 precincts reporting, Mrs. Strauss had a margin of 55.9 percent to 44.1 percent, or 61,978 votes to Mr. Meyer's 48,710. (AP)

Amintore Fanfani was sworn in Saturday as prime minister of a minority Italian government that is expected to lose a vote of confidence in Parliament in the coming week, paving the way for elections on June 14. It is Italy's 46th postwar government. (NYT)

TRAVEL UPDATE

Measures to speed the evacuation of French-operated airliners by widening and improving emergency exits and simplifying instructions to passengers have been announced by the French government. (Reuters)



Soweto Man Will Head Church Unit

By William Claiborne
Washington Post Service

JOHANNESBURG — The Reverend Frank Chikane, 36, a black clergyman from Soweto who once was tried for treason and acquitted, will become head of the influential South African Council of Churches beginning July 1.

The council is an umbrella organization for the country's English-speaking denominations. It is one of the most influential religious bodies that monitor and speak out against the government's apartheid policies.

Mr. Chikane will replace the Reverend C.F. Beyers Naude, the rebel Duteb Reformed cleric who shocked his fellow Afrikaners in 1963 when he left his congregation to head the now-banned anti-apartheid Christian Institute. A month later he resigned from the secret Afrikaner society, the Broederbond, rather than abandon his opposition to racial segregation.

Mr. Chikane, general secretary of the Institute of Contextual Theology and a member of the Apostolic Faith Mission, is a former follower of Steve Biko, the black nationalist who died in prison in 1977 after allegedly being tortured.

Mr. Chikane was suspended as a minister of the Apostolic Faith Mission in 1980 because of his involvement in black activism. The Institute of Contextual Theology is a proponent of close involvement with the masses.

Mr. Chikane later became vice president of the United Democratic Front, a coalition of more than 700 anti-apartheid groups, and was responsible for Front activities in the populous Transvaal Province.

Most of the United Democratic Front's leaders are either in detention or have gone underground. As recently as two months ago, Mr. Chikane was urged by friends not to return to South Africa from a trip abroad because of the possibility that he might be arrested.

Sources in the Front said members who had been detained and released had reported that their interrogators warned that if Mr. Chikane returned to South Africa he would be put in jail and would "never get out alive."

In 1985, Mr. Chikane was charged with treason along with 15 other prominent black nationalists but was acquitted.

Vatican Asks Bishops' Help In Cutting Its Budget Deficit

Washington Post Service

VATICAN CITY — Alarmed by prospects of an ever-widening budget deficit, the Vatican has sent letters to each of its 3,000 bishops soliciting funds to help the church administration get out of the red, according to Vatican officials.

It was decided to send the letter last month at a meeting of 15 cardinals appointed by Pope John Paul II to seek a solution to the deficit.

The cardinals forecast that the shortfall would reach \$63 million this year.

Church and banking officials interviewed at the Vatican recent weeks said, however, that such predictions overstated the situation.

"The true picture of the Vatican's finances is a lot more complex than the cardinals are prepared to reveal," said a Vatican prelate who asked that his name not be used.

The figures given by the cardinals are for the Vatican bureaucracy, foreign service and worldwide shortwave radio station, the multi-language newspaper L'Osservatore Romano and other publishing interests, and salaries for the Vatican's 3,000 employees.

The letter omits details of the Vatican's total wealth and income, officials said. While it lists expenditures and revenues from rents of local church properties and other operations, it does not include revenues from investments and other transactions of the Institute for Religious Works, or Vatican bank.

French Convict-Writer Draws 7-Year Term

The Associated Press

ROUEN, France — Roger Knobelspiess, a convict-writer popular with the French left, has been sentenced to seven years in prison by a Rouen court in connection with a 1982 shoot-out with police.

The prosecutor, Roger Tacheau, called Mr. Knobelspiess an "incorrigible delinquent." Mr. Knobelspiess, 40, who has spent nearly half his life in prison on theft and robbery charges, published two books in the 1970s criticizing prison conditions.

7 Skiers Killed in Switzerland

REUTERS

VERBIER, Switzerland — Avalanches and accidents have killed seven skiers in the Swiss Alps over the weekend, the police said Sunday.

UNIVERSITY DEGREE

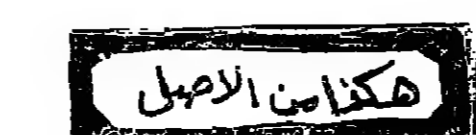
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Castro Holds Forth On Sports and AIDS Cigarless, in Role of Good Neighbor

By Joseph B. Treaster
New York Times Service

HAVANA — Shortly after midnight, in the staidly modern Palace of the Revolution, Fidel Castro was presenting himself as the good neighbor.

Harmony with Washington, he said, ignoring years of insult-trading and wars by proxy, "doesn't depend on us."

The first group of American journalists to interview Mr. Castro in a year or so had crowded around him to talk about sports, specifically the Pan-American Games, to be held in August in Indianapolis.

Someone explained that a controversy had arisen over the raising of the Cuban flag at a center of the games, a place called American Legion Hall.

"It seems to me that controversy doesn't make much sense," Mr. Castro said through an interpreter in soft, measured Spanish. "It seems we are living in a civilized world. In our country when we have sports competitions and American teams compete, the two flags are always there. I don't think in Indianapolis you will have such problems."

Soon Mr. Castro, 60, was off into talk about health and medicine.

and, for a moment, the sorry state of relations between the United States and Cuba.

The man who has made volcanic mood changes a hallmark was in good spirits, and nothing seemed to rile him.

Cuban exiles who call him a liar most do not know "how things are in Cuba," he said.

On the prickly question of whether he, a lifelong sportsman and fan, would like to attend the games, Mr. Castro grinned at the police chief of Indianapolis, Paul A. Ames, who was in the room. "I think it would manifestly be his work," the Cuban leader said.

The day before, after months of accusations by exiles in the United States of a cover-up, Mr. Castro's government had issued its first extensive report on AIDS in Cuba, reporting that three Cubans had died because of acquired immune deficiency syndrome and that a special isolation unit had been created for the 108 Cubans who have been discovered to be infected by the virus.

Mr. Castro said that he was concerned about AIDS but that the spread of the disease had so far been minimal and that Cuba was in



Harmony with Washington 'doesn't depend on us.' — Fidel Castro

"an excellent situation" to cope with it.

Although nothing had been disclosed until Friday, he said that for more than a year Cuba had been treating people infected by the AIDS virus with a special diet, which he did not describe, and the experimental drug interferon.

Even though as recently as last week Cuban health officials told American journalists that they knew of only one death from AIDS in Cuba, Mr. Castro denied that Cuba had tried to conceal the extent of the disease.

He said that none of the 108 infected Cubans had developed AIDS or symptoms of the disease and that he believed Cuba had been "able to create a protective system" for them.

Mr. Castro said he believed that quarantining the victims in one medical facility, along with testing potential blood donors and Cubans returning from places with relative high incidence of the disease, had been important in containing it in Cuba.

He said that the special AIDS unit was in the countryside near Havana and that it looked more like a farm than a hospital. He recalled that during an outbreak of dengue fever, for which Cuba blamed the Central Intelligence Agency, a mandatory quarantine had also been imposed.

Wars in Central America and Africa were not on the agenda as Mr. Castro stood for nearly an hour with the Americans in a small, sparsely furnished visitors' room in the palace, where he has his office.

He wore what looked like a new olive-green field jacket and webbed belt over an equally new-looking fatigue uniform. He also wore well-polished black combat boots and his familiar green field cap. But the long Cuban cigar that once seemed as much a part of him as his beard was missing.

Mr. Castro gave up smoking a few years ago to set an example for the country, he said. Many Cubans still smoke but Mr. Castro seemed pleased to report that domestic sales of cigars and cigarettes had fallen by \$80 million in the last year.

Cuba has not cut back on tobacco exports, which are an important source of income.

Not even the thought of Cuba's severe economic problems, with earnings down in most sectors and the prospect of a worse than usual sugar harvest, seemed to burden Mr. Castro for the moment.

He joked about the declining value of the U.S. dollar, saying that at least "accommodations will be less expensive" in Indianapolis.

Book Says U.S. Knew Marcos Plan For '72 Rule

By Fox Butterfield
New York Times Service

WASHINGTON — Contrary to official assertions, the U.S. Embassy in Manila knew that Ferdinand E. Marcos was about to declare martial law in 1972 and did not act to stop him, according to a new book by Raymond Bonner.

Drawing heavily on previously classified State Department and Central Intelligence Agency documents, Mr. Bonner contends that the CIA got a copy of the martial law declaration several days before Mr. Marcos announced it. The document was provided by a Filipino informer the CIA had recruited from among the small group of confidants who helped Mr. Marcos plan martial law.

The book also contends that Mr. Marcos was not concerned about possible adverse American reaction because he had telephoned President Richard M. Nixon, who said he had no objection to Mr. Marcos assuming absolute power.

The book, "Walzing With a Dictator: The Marcoses and the Making of American Policy," will be published this month by Times Books. Mr. Bonner is a former correspondent for The New York Times who has also written a book about El Salvador.

In his new book, Mr. Bonner asserts that American acquiescence to martial law was part of a long-term pattern of the American role in postwar Philippine politics. The book says that role was to bolster leaders who were seen as friendly to Washington regardless of how corrupt or oppressive they were.

Mr. Bonner said Mr. Nixon declined to be interviewed for the book.

These are among the other disclosures in the book. The CIA provided more than \$1 million to help elect Ramon Magaysay. He was president from 1953 until his death in 1957.

To help persuade Mr. Marcos to dispatch a small civic action team to Vietnam, President Lyndon B. Johnson agreed to pay him \$39 million secretly, with State Department officers delivering the money in quarterly checks.

The CIA early on was aware that Mr. Marcos and his wife, Imelda, were amassing huge personal fortunes. In 1969, four years after Mr. Marcos was first elected president, an agency profile concluded that he had already stolen several hundred million dollars. A CIA study of Mrs. Marcos in 1976 determined that she had taken over a portfolio of four dozen companies, including several banks, worth at least \$150 million.

The most striking new material in the book is Mr. Bonner's disclosure that the CIA warned the embassy that Mr. Marcos would declare martial law in 1972.

Mr. Nixon "seemed bored" by the news, a former member of the National Security Council staff told Mr. Bonner. Ambassador Henry Byrdsie later told Mr. Marcos that Washington would back him if martial law was needed to put down the then-tiny Communist insurgency. The insurgency was the pretext Mr. Marcos cited in declaring martial law.

The Communist insurgency, along with one by Islamic militants, remains one of the major problems of President Corason C. Aquino, who succeeded Mr. Marcos after he was ousted in February 1986.

U.S.-Cuban Relations Called Worst in Decades

By Julia Preston
Washington Post Service

HAVANA — Relations between the United States and Cuba are the worst in more than two decades, according to a top Cuban official and Western diplomats.

The freeze that set in late last year has, among other things, dimmed hopes of Cubans in both countries for increased transit in both directions, a prospect that appeared briefly in 1985.

Cuban officials contrasted the impasse with Washington to gains in breaking out of their diplomatic isolation with democratic nations in Latin America. Brazil, Argentina and Uruguay have opened embassies or increased their representation in Havana in recent months, the officials pointed out.

No single incident brought on the deterioration with the United States, both sides said. Rather, differences accumulated and attempts at dialogue collapsed over the past two years, leaving Cuban officials expressing bitterness and frustration about the lack of progress.

During a week-long visit by a reporter, Cuban officials repeatedly expressed such sentiments, asking why Washington was ignoring bilateral issues.

"Our relations have dipped lower than what we thought could be the lowest point," said Ricardo Alarcon, a Foreign Ministry official who handles U.S.-Cuban affairs. He characterized the chill as the worst since the aftermath of the 1962 crisis during which the Soviet Union sought to place missiles in Cuba.

Events reached a nadir in early December, when the government ordered a nationwide military mobilization, called Bastion '86, billed as a rehearsal for a U.S. attack. During the mobilization, on Dec. 8, a U.S. SR-71 spy plane flew the length of the island, rattling windows with sonic booms, Mr. Alarcon recalled.

Although U.S. surveillance flights have been frequent for more than two decades, Mr. Alarcon said they usually skirted the island. He charged that the flight was "deliberately provocative."

Starting Dec. 9, the government organized a three-day protest in front of the U.S. Interests Section, in a seaside plaza dominated by a billboard saying, "Yankee imperialists, we are not afraid of you at all!" On Dec. 11, most Havana city buses were commandeered to bring more than 400,000 chanting Cubans to the plaza for the largest anti-U.S. demonstration in Havana for at least a decade.

Two days later, Cuba suspended charter flights from Miami, which since 1977 had been bringing U.S. diplomatic pouches and goods for the American staff of 20. Since then, at least 16 pouches have been delayed or stopped, diplomats said.

Mr. Alarcon said this and other measures put U.S. diplomats in Havana on the same footing as Cuba's envoys in Washington. He said that since the early days of the Reagan administration, no Cuban diplomat has been invited to any official function in the U.S. capital.

On Feb. 1, the Interests Section chief, Curtis W. Kamman, was reassigned to Washington. The post remained vacant.

Just before Mr. Kamman left, he was called to meet with President Fidel Castro, diplomats said. News of the encounter leaked through the diplomatic corps, but both sides have remained tight-lipped about the discussion.

U.S.-Cuban relations have been strained or nonexistent since Mr. Castro came to power in 1959. The current frustration in Cuba seems based on recognition that things are unlikely to improve, at least during the Reagan administration.

"It's as though the United States learned nothing in more than 25 years of coexistence," said Mr. Alarcon. "We feel like we are starting all over again at the beginning."

Willi Smith, 39, Is Dead; U.S. Fashion Designer

By George James
New York Times Service

NEW YORK — Willi Smith, 39, one of the U.S. fashion industry's most successful young designers, known for spirited and trendy clothes, died of pneumonia Friday at Mount Sinai Hospital.

He was admitted for tests to the hospital's intensive-care unit Thursday night with pneumonia, complicated by shigellosis, or bacillary dysentery. He had been ill about three weeks, said Mark Bozek, a spokesman for Mr. Smith.

Mr. Smith apparently came down with the dysentery on a recent month-long visit to India, where the lightweight cotton fabric he used for many of his clothes was made, Mr. Bozek said.

Mr. Smith, who made inexpensive sportswear under the WilliWear label, was part of a wave of young black designers who came to prominence in the late 1960s. Last year his 11-year-old company had more than \$25 million in sales.

His apartment in lower Manhattan, with its collection of African, Oriental and contemporary works, reflected a love of art that gave his designs an extra dimension, especially in the colors he used.

Mr. Smith, who won the Coty American Fashion Critics' Award for Women's Fashion in 1983, numbered many artists among his

friends. He designed 600 uniforms for workers who helped wrap the Pont Neuf in Paris with material for the artist Christo in 1985.

Cecil Harmsworth King, 86, British Press Baron DUBLIN (Reuters) — Cecil Harmsworth King, 86, once one of Britain's most powerful newspaper publishers, died in his sleep Friday at his home in Dublin after a long illness, his wife, Dame Ruth Rathbone, said Saturday.

In 1929 Mr. King, a member of the Harmsworth family of newspaper barons, became director of The Daily Mirror, which he built into the largest mass-circulation daily in Britain. International Publishing Corp., of which he was chairman from 1963 to 1968, was one of the world's largest media groups.

In 1968 he was alleged to have asked Lord Mountbatten, cousin of Queen Elizabeth II, if he would head an emergency government because Mr. King believed Britain was heading for economic catastrophe.

Mr. King later denied there was any talk of a coup but he had met with Lord Mountbatten and top government officials after the queen became worried about criticisms of Prime Minister Harold Wilson's administration.

Dick Shawn, 63, Comedian Known for 'Producers' Role LA JOLLA, California (AP) — Dick Shawn, 63, the comedian best known for his role as a musical comedy Adolf Hitler in Mel Brooks's 1968 film "The Producers," died Friday after collapsing during a performance at the University of California at San Diego.

Mr. Shawn's other films included "It's a Mad Mad Mad Mad World" in 1963 and "Love at First Bite" in 1979.



Willi Smith



Cecil Harmsworth King

White House Study Urges End to Many Covert Operations

Washington Post Service

SANTA BARBARA, California — An internal White House review of secret intelligence operations has concluded that nearly a third of the covert missions authorized by President Ronald Reagan should be terminated, administration sources said.

The review, ordered following the Iran-contra affair, focused on secret intelligence "findings" such as the one that Mr. Reagan signed to allow the sale of U.S. arms to Iran, the sources said Saturday.

In its report on the Iran-contra affair, the Tower commission concluded that the White House for failing to monitor the covert operation properly and for failing to notify Congress.

Covert operations were emphasized by the former CIA director, William J. Casey. The sources said the review targeted covert operations, as distinct from secret intelligence-gathering efforts.

They said the national security adviser, Frank C. Carlucci, was more reluctant than some of his predecessors to use covert operations as an instrument of foreign policy because of the potential for political backlash.

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AMERICAN TOPICS

The Bootstrap Effort For Low-Cost Houses

"America is changing the way it is housing its poor." Mary Jordan reports in The Washington Post. "Instead of traditional rent subsidies, the new thrust is loans with little or no interest. Public housing is out; home ownership is in."

Rather than billion-dollar federal programs, the new efforts are narrowly focused, this one financed by a city, that one by a church group. Nonprofit organizations are becoming nearly as important in providing low-cost housing as the U.S. government.

Under the Reagan administration, the U.S. housing budget has shrunk from \$30 billion in 1981 to \$8 billion today. Many experts say this trend must be reversed if relief is to be found for the estimated 7.5 million low-income Americans who spend more than half their income on rent.

Though local programs are not expected to close the gap, they signal a new approach to housing the needy. Millard D. Fuller, the founder of Habitat for Humanity, which is promoting low-cost housing in 170 cities, likened it to "an old-fashioned barn raising."

Representative Henry B. Gonzalez, the Texas Democrat who heads the subcommittee on housing and community development of the House Banking, Finance and Urban Affairs Committee, said that U.S. funds coupled with the labor and ideas of thousands of communities and nonprofit groups could provide most Americans with decent places to call home.

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Cable News Network Survey

But the magazine says getting such a test can be a real test in itself. Testing is free in most public health clinics, but it costs \$20 in Miami. Clinic phone lines often are busy. Immediate testing is available in Atlanta, but there is a 10-week wait for appointments in Los Angeles and a wait of several months in Boston. Results usually are available from two days to three weeks after the test.

An off-duty Detroit police officer shot himself in the shoulder while trying to kill a rat that he said had attacked him in his garage. Patrolman Joel P. Johnson, 23, said the rat jumped onto his arm and he could not shake it off. So he fired his gun at the animal but hit himself instead. He was hospitalized. The rat reportedly escaped unharmed.

For hard-pressed Texas, the unthinkable may come to pass: a state income tax. Not long ago, even suggesting such a thing would fella legislator "like a 44 magnum at two feet," a state representative, Mark W. Stiles of Beaumont, told The New York Times. But now there is talk of an income tax to replace the oil and gas revenue that has gone dry. For Texas and the other states that have no personal income taxes — Alaska, New Hampshire, Nevada, Washington, Wyoming, South Dakota and Florida — the tax has become more appealing since the overhaul of the federal income tax system, which makes state income taxes, but not sales and other local taxes, deductible from federal taxable income.

Sighted in New York City's Kew Gardens neighborhood and reported by Pearl R. Wolf to The New York Times was a car with the much-used "Baby on Board" sign in the rear window. Tied to the back of the car was a

banner proclaiming, "Just Married."

Notes About People
The American Society of Newspaper Editors has elected its first woman president. She is Katherine Woodruff Fanning, the editor of The Christian Science Monitor. Mrs. Fanning, 59, said she planned to stress the promotion of blacks, women and minority members to the upper echelons of journalism. She is the former wife of Marshall Field 4th, publisher of the Chicago Sun-Times, and the widow of Larry Fanning, with

whom she purchased the The Anchorage Daily News in Alaska. Mr. Fanning died in 1971. Her paper won a Pulitzer prize in 1976 for an investigation of the teamsters union.

Texas boot makers are crafting a pair of jewel-encrusted cowboy boots for Pope John Paul II's visit in September. The papal seal, of dyed leather, gold inlay and rubies, will be centered on the front of each boot. Archbishop Patrick Flores of San Antonio obtained the pope's shoe size during a recent visit to the Vatican. There was no estimate of the cost.

—ARTHUR HIGBEE



LIFE UNDER THE FAST LANE — In San Francisco, an architect, Donald MacDonald, offered this solution for the homeless: an \$800 plywood shelter with foam mattress, locker and clothes hangers. This "City Sleeper," as it is called, is placed under a highway overpass.

U.S. to Test System for Detecting Bombs on Planes

New York Times Service

NEW YORK — The Federal Aviation Administration is soon to conduct tests of an advanced detection system designed to keep bombs or other explosive devices from being loaded into the cargo holds of airliners.

The system's heart is a detection chamber, able to examine each item of luggage or cargo in six seconds. It will first be given a four-

week trial at San Francisco International Airport and later have similar tryouts at several other terminals.

Government officials say they hope that more polished versions, close to what would eventually be produced in significant numbers, can start going into everyday use in major cities within two years.

The equipment operates by bombarding cargo with streams of

slowly neutrons, a process that makes it possible to detect the presence of nitrogen, used in all known explosives.

Two of the test chambers are nearing completion at the Sunnyvale, California, plant of the contractor, Science Applications International Corp.

"We feel the system is capable of detecting the full range of commercial and military explosives," said

William Wall, director of the aviation security branch of the FAA's technical center at Atlantic City International Airport.

The aviation agency is also supporting work on a different type of explosives detector to screen people and carry-on bags at boarding gates. The State Department is jointly financing the effort, with protection of overseas embassies a prime goal.

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Herald Tribune

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For Lack of Leadership

Each week brings evidence for prophets of economic doom: Brazil defaults on its debt; the monthly U.S. trade deficit hits \$15 billion; the dollar falls to new lows against the yen; President Reagan succumbs to pressure for retaliation against Japan. . . . And for the first time, responsible officials like Chairman Paul Volcker of the Federal Reserve openly speculate about a world financial crisis. Is the crash of '87 in the works?

No. A 1929-style crash followed by a collapse in economic output is highly unlikely. If there were a collapse now, governments would swiftly shore up the banking system and restore consumer purchasing power. What is possible, however, is a plunge in the dollar that triggers a severe recession.

Even if crisis never comes, the international economy could fall into gridlock as debtors cut back on foreign purchases, developed countries stagnate and the world's poor tumble further into poverty. Governments know the risks and agree broadly on steps needed to protect the stressed financial system from breakdown. What is lacking is strong leadership to make the tough political decisions to match the new realities of interdependence.

Not many years ago America dominated international commerce. Today America shares top billing with Japan and Western Europe, while smaller countries like Saudi Arabia and Brazil have become important actors. Dependence is now mutual.

The big Reagan tax cut of 1981 dramatically increased consumer purchasing power at the expense of domestic saving. That temporarily suited Japan and West Germany, which were delighted to supply the United States with goods and to invest the dollar proceeds. But that sent up the value of the dollar, leaving many American pro-

ducers uncompetitive and creating yawning imbalances in trade. Meanwhile, sharp declines in the price of oil and other raw materials made it almost impossible for developing countries to service their foreign debts. The flow of new capital to Latin America and Africa has stopped, and with it their demand for U.S. goods.

Huge U.S. trade deficits cannot be indefinitely sustained with infusions of foreign capital. Virtually everyone agrees that a continuing stalemate on debt would wreck the Latin economies and destabilize their politics. There is even broad agreement on what must be done to right the economic balance.

Washington must credibly reduce the budget deficit by raising taxes and cutting spending. Efforts to protect U.S. companies from foreign competition must be resisted. Most important, all the economic powers must rethink obsolete growth strategies.

Japan needs to sever the link between prosperity and the growth of exports to America, diverting surplus savings to domestic uses. Europe and Japan must renounce the costly agricultural protectionism that feeds their trade surpluses and depresses world commodity prices. America must take the lead on Latin debt, orchestrating concessions by banks and offering government capital through multilateral lenders.

If the outlines of a fix are clear, what is stopping it? Every reform means pain for someone, and the current generation of leaders lacks the political will to enact it. No one expects overnight solutions to problems a decade in the making. But leaders show little inclination to move in the direction they know is right. Until they do, the world economy will remain at great risk.

—THE NEW YORK TIMES.

A Less Nuclear Europe

Europeans are feeling rushed and pushed by the new missile deal. For 40 years the United States has protected a Europe unable, since World War II, to defend itself. The gap was filled with troops to ensure American engagement and with a ladder of weapons to provide the options of "flexible response." Now American protection will go on but some of the terms are changing.

On the ladder of flexible response, the United States is trying to work out with the Kremlin a removal of one and a half ranges: medium-range missiles and, on the Soviet side, which alone has them, shorter-range missiles, too. Other American ranges stay put, including troops, battlefields and tactical nuclear weapons and nuclear-weapon-carrying land- and carrier-based aircraft, plus the strategic deterrent. British and French nuclear arsenals will also stay. So there will be plenty of nuclear arms around; 4,600 American warheads hardly add up to "denuclearizing Europe." Certainly this should ease the European fear of being abandoned to overwhelming Soviet conventional and chemical might.

But of course the fear persists. No one can be entirely comfortable relying on someone else, even a proven friend, for his ultimate

destiny. And Americans sometimes act carelessly. At Reykjavik, President Reagan fed the European nightmare that the United States is so intent on making its own deal with Moscow that it would leave Europe exposed. That is why, last week in Moscow, George Shultz insisted on interrupting the bargaining and consulting the allies. Even as they demand to be consulted, the Europeans sometimes appear to prefer to be dictated to: It lets them ignore hard choices and heavy costs. But a sound alliance of democracies can proceed no other way.

The Americans promise no further nuclear cuts outside of a context that looks to negotiate down the threat posed by Soviet conventional and chemical advantage. This is sensible. On the strategic level, however, Europe's claims have not yet been adequately addressed. It fears not only an unreasoned strategic competition but also any agreement that would offer some sort of nuclear shield or other advantage to the superpowers alone. Europeans want predictability and protection against change, things hard to match. They can best get both by being ready to make their own special contribution to the alliance; improving conventional defense.

—THE WASHINGTON POST.

Holy Week Reminders

Holy Week, the week of Easter and Passover, was a time to think of renewal and freedom, as good as week as to believe anew that faith can move mountains. In a cathedral in Cape Town and in a mansion in Moscow, people who gathered for religious services seemed to believe it.

The service in South Africa was convened to do precisely what the government had just forbidden: protest the detention without trial of thousands of South Africans. Black and white, Jew and Christian, with the American ambassador joining in — some 800 protested the state of emergency that has put an estimated 30,000 in jail.

"My plea is for you to rise up and revolt against this ban," said Allan Boesak, president of the World Alliance of Reformed Churches. "This is not the madness of just one man; this is the madness of a government which has long ago lost all legitimacy and can only live on its last days compounding the evil it has begun."

Police gave the protest a wide berth. The government seemed to soften slightly. It had not intended to outlaw prayer in a bona fide religious service, an official said. But reli-

gious leaders did not intend to stop there, either. They urged the congregation to take the protest beyond the cathedral walls. "If these actions, undertaken in obedience to the God's demand, lead to possible charges and imprisonment, so be it," said one.

On the same day, some 50 "refuseniks" long denied permission to leave the Soviet Union, joined in a Passover seder in the home of the U.S. ambassador in Moscow. They celebrated the feast of emancipation, these men and women, many of them only recently freed from prison or exile. Secretary of State George Shultz joined them, an Episcopalian in a white yarmulke. He had brought kosher food and wine from America, and gifts: a handsomely bound copy of the seder ritual for one guest, a picture of another's grandchildren in America. "You are on our minds," he told them.

Two governments denying liberty and justice. Many faiths, asserting that such injustice must be opposed. In this Holy Week of 1987, these were heartening reminders of the strength, and warmth, of religion enlisted in the service of freedom.

—THE NEW YORK TIMES.

Other Comment

What About Eastern Europe?

It is an evil empire. President Reagan was and is right. Not having been on the other side of the Iron Curtain for some 30 years, I had forgotten what Russia has done to Eastern Europe. A visit to Poland is a chastening reminder. It is like going back to the Middle Ages. No progress has been made since I was last here in 1955.

The country gives the impression of having been frozen forever into the drab patterns of postwar austerity: few goods in the shops, no paint on the cracked and peeling buildings, no signs of animation in the streets, and, as for the countryside, only the occasional ancient horse and plough. Even in the main tourist hotels, washbasin plugs are often either missing or attached by sodden string, and one is lucky to find a bit

of jam for breakfast. The most flyblown African country is better off than Poland. And it truly is all Russia's fault for imposing and sustaining Communist governments which stifle every form of free and legitimate economic activity.

This Russian-imposed desolation is a crime against humanity. If there is a bargain to be done with Mikhail Gorbachev, should not the West at least try to make sure that Eastern Europe is included among the beneficiaries? Poland is dying through economic strangulation. Its death throes, in the form of Solidarity, are noble and moving. But admiring the death throes is no excuse for having done absolutely nothing to avert the destruction of a fine and ancient nation.

—Peregrine Worsthorne, editor, in *The Sunday Telegraph* (London).

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Espionage: So What Else Is New?

By Charles Kranthammer

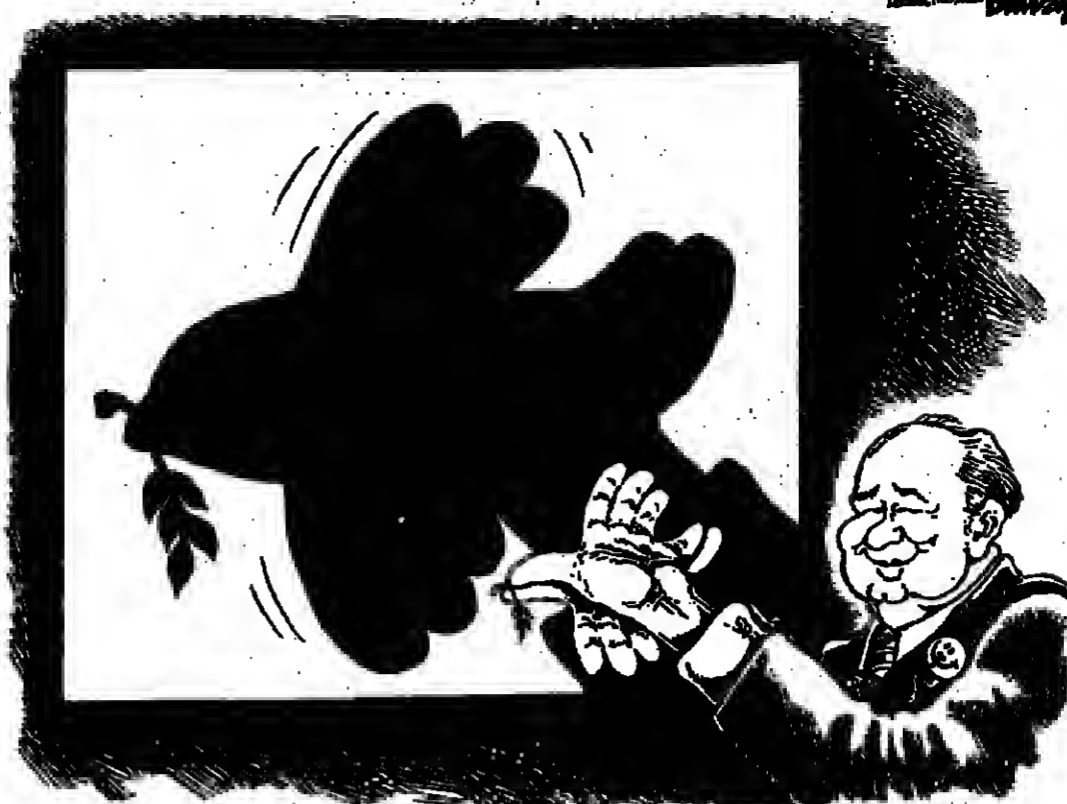
WASHINGTON — Remember the Soviet brigade in Cuba? In 1979, President Carter submitted the SALT-2 treaty to the Senate for ratification. Senator Frank Church, chairman of the Foreign Relations Committee, discovered a Soviet brigade in Cuba. To meet the "crisis," SALT-2 hearings were postponed. The president was put on the defensive and the atmosphere was poisoned. The treaty was delayed and then sunk by the Soviet invasion of Afghanistan. Then it turned out that the brigade had been there for 16 years. It was the non-issue of the decade. But it did its damage.

Every decade has its bogus Cuban brigade. Now we have ours: the embassy spy busters.

The greatest deliberative body in the world is again in an arms control mood, pushing for treaties — test ban, SDI, even a revised SALT-2 — from a weakened president. So a weakened president, desperate to shore himself up politically and within sight of a Euro-missile treaty, prepares to dispatch his secretary of state to Moscow for crucial arms control talks. And what happens? The Senate discovers that the Soviets have been spying on the present U.S. Embassy in Moscow, and that the new embassy there is riddled with bugs. Shocked, it passes a resolution urging Secretary of State George Shultz to stay home rather than negotiate with such cheaters.

The Soviets called the American reaction to the embassy story "spy hysteria." The Kremlin is not often right. This case is an exception.

Hysteria it is. There is absolutely nothing new here. The Soviets have been building their billtop, spy-nest Washington embassy for 10 years. Anyone who drives by can see the forest of antennas atop the buildings from which the Soviets can listen in on any conversation they please. It has long been known that the



new Moscow embassy was bugged right down to the concrete foundation. Senator Daniel Patrick Moynihan, for one, has been complaining about the embassy problems for years. Every administration since Richard Nixon's has ignored it. What happens? A couple of Marine Corps guards in Moscow betray their country and let in the Soviets in exchange for the favors of a KGB Mata Hari, and Washington goes berserk.

"Whereas the Soviet Union has totally compromised the security of our embassy in Moscow . . ." intoned the Senate, 70-30. Not exactly. The Marines did the compromising. The Soviets walked through an open door.

"Sordid tricks," an "affront," an "assault on U.S. Embassy security," complained *The Wall Street Journal*. A "rape of our national privacy," gasped William Safire. America is "damned upset," claimed Secretary of State Shultz. The Soviets have trespassed "beyond the bounds of reason," agreed President Reagan.

And my favorite: Syndicated columnist Rowland Evans and Robert

Novak bravely called for "a full-scale exposure of Soviet [spy] practices whatever the impact on arms control." Since they generally view arms control as an infection in need of a vaccine, they win the 1987 Brer Rabbit ("Please please please don't sting me in that briar patch") Award.

"The Soviets," complained Lawrence Eagleburger, "just go too far." Really? The FBI tried to tunnel into the basement of the Soviet consulate in San Francisco in the early 1970s. I wish they had made it. If FBI counterintelligence is not trying to seduce, blackmail and "turn" Soviet agents in the United States, it should have its appropriations rescinded.

Espionage does not play by Miss Manners. No wonder the Soviets, who operate generally by conspiracy, believe that American naïveté must be feigned and that there are darker reasons for the spy hysteria.

Yet Washington has reacted as if the Soviets had, say, taken over a small Central American country. (Bad example, Washington is fairly calm about that prospect. Say, in-

stead: as if the Soviets had cheated at Olympic hockey.) The Senate, joined by a bevy of columnists, urged Mr. Shultz not to go to Moscow for arms control talks. Why? Because the embassy is not secure? But it has never been secure. To register a protest against Soviet "penetration" of the embassy? But in fact one side was just protesting the other's success at a game they both play.

To his credit, Mr. Shultz went to Moscow and made considerable progress. The hysteria will now shortly blow itself out. What will remain are questions not about American security but about American seriousness.

If Congress pretends to making high national policy on things like arms control, it had better stop these absurd about-faces. Just when negotiations are heating up, to suggest boycotting talks because of an issue that would be utterly peripheral if it were not phony is a demonstration of high treason.

Good thing the Cuban brigade syndrome strikes only once a decade.

Washington Post Writers Group.

A Jordanian Appeal: American Jews Can Help

By Mohamed Kamal

The writer is Jordan's ambassador to the United States. This is the first of two articles.

WASHINGTON — My past two years of residence in the United States have convinced me that the American Jewish community can make a great contribution to achieving a just and lasting peace in the Middle East. I have met and spoken to many prominent American Jews, whose dedication to justice and peace has impressed me that I have been moved to deliver the message contained in this article.

I believe that the American Jewish community, backed by the great power of U.S. national support, can provide Israel the reassurance it apparently needs to make a real move toward peace.

It is through this combination of the American Jewish community and U.S. government backing that Israel developed into the major regional power it is today. And it is only by the determined application of the American Jewish community's influence and U.S. government support that Israel will realize that its real security lies not in an isolated existence but in peaceful coexistence with its neighbors in the region.

I firmly believe that the American Jewish community and the United States hold the power of persuasion required to move toward peace. The treaty, though long, has been shown — in wealth, energy and political weight across four decades of support to Israel — will have to be used for the equally vital effort of securing the peace, or else all their past efforts will prove of little value. Otherwise, in the end, all will be losers — Israel, the Arabs, America and perhaps the world.

The time is now ripe for Arabs and Jews alike to move toward peace negotiations. I hope that the American Jewish community will encourage both the Reagan administration and the government of Israel to join in an international conference on the Middle East that would set a framework for a just and durable peace agreement.

examined. Only then can we see who really holds a key to peace in the Middle East.

A number of dedicated American Jewish organizations, financed and supported by the American Jewish community, lead a campaign to galvanize public opinion and administration policy into unwavering support of Israel. The pro-Israel lobby's primary arena of action is the U.S. Congress, where they work to guarantee American backing of Israel on every level. Their parallel negative concern is to deny American support to any other country perceived as an enemy of Israel, even those countries that have enjoyed long and friendly ties with the United States, such as Saudi Arabia and Jordan.

The past two years saw several examples of the power of domestic politics to harm U.S. relations with moderate Arabs and thereby disrupt chances for peace. One of the most essential elements used by Israel to strengthen its "special relationship" with the United States has been its steady cultivation of an anti-Arab reflex in the American mind.

As a result of pro-Israel efforts, the United States has patently ignored or minimized essential economic and strategic interests which it and its Western allies have in the Middle East. In addition to Middle East oil, there is the huge Arab market, which represents billions of dollars annually in Western exports to the region. In contrast, Israel has drained more than \$40 billion in aid from the U.S. government alone.

As for the great concern of U.S. policy makers over Soviet penetration in the Middle East, how can one small country of less than four million people, no matter how great its military might, be considered of more strategic value than the 200 million Arabs who in the final analysis will determine the ideological future of the region?

The Washington Post.

Explanations for the Bull Market Don't Convince

By Robert J. Samelson

WASHINGTON — Steven Einhorn should be sitting atop the world. For months the chief investment strategist at Goldman, Sachs & Company has said that stocks would go higher. Others might harbor doubts, but not Mr. Einhorn. He plastered his clients with facts and figures, but his message was simple: The bull market endures.

And so it has. The market has just dropped sharply, but the decline has been from an all-time high. In general the market has rarely seemed so apt. The bull has rumbled over anything that might disturb its advance: irragate, the insider-trading scandal, gyrating oil prices. The first-quarter gain of the Dow Jones industrial average (23.2 percent) was the second best since World War II. Since the summer of 1982, stock values have nearly tripled. The market has made Mr. Einhorn look like a genius.

It makes me feel like a moron. The biggest bull market since World War II begs for meaning beyond the stock statistics. I wish I could supply it.

Having purged inflation's excesses, is America launched into greater prosperity? Or has the market gone mad? It is one or the other — or something in between. Don't look to Wall Street for insight. Even the sober market analyses, like Mr. Ein-

horn's, bristle with arcane ratios. A lot of the rest is, well, gibberish.

The market's latest guru, Robert Prechter, predicts a 3600 Dow. He embraces the Elliott wave. It is mystical to me. The theory, says Barron's, holds "that the stock market zigzags up in five waves, three up and two corrective moves down. It then is supposed to turn down for three waves, the middle one of which is an upside correction. This pattern . . . is repeated three times, culminating in a major three-wave correction." Got it?

Of course, lower inflation and interest rates are the basic causes of the stock and bond market rallies. A 30-year Treasury bond issued in 1981 at 15.2 percent and worth \$1,000 is now worth more than \$1,600 because the market interest rate has fallen to 8.3 percent. Stock prices rise for the same reason. A given stream of profits and dividends justifies a higher price.

But there is more to the rally than that. Mr. Einhorn thinks stock prices may be 25 percent higher than lower interest rates alone would justify. Why? My favorite theory is the reform of U.S. management. The stock market puts a value on corporate America. Managers are being forced — by foreign competition, deregula-

tion, hostile takeovers — to do better with what they have. Therefore their companies are worth more. Future profits will be higher. So will living standards. Greater efficiency will enable companies to raise wages without rekindling inflation.

This wonderful theory promises a bright future, and it might happen. There is great ferment in U.S. business. It's all "restructuring" attests to that. Companies are already paying more to shareholders, mostly by buying back stock. The buybacks boost stock prices and imply higher future per share profits. The buybacks also mean that managers are keeping less cash for wasteful diversification. Some Wall Street firms predict big profit rises. By 1988, Salomon Brothers thinks, the reported earnings of the Standard & Poor's 500 companies will jump 57 percent from 1986 levels.

Sadly, this evidence is weaker than it seems. Government productivity statistics show that the annual average gain in business efficiency in America in the 1980s (1.3 percent) is about double the rate of the late 1970s, but still lousy. The gains in profits, even if they materialize, would be complicated by tax and accounting technicalities that make them seem bigger than they are.

So maybe I am back where I started. What sustains the market? Dare I mention that dirty word, speculation? The theory of the greater fool is a venerable history on Wall Street. It is all right to buy at an unrealistic price today as long as you sell at a higher unrealistic price tomorrow. When a market boom is in full swing — almost any market boom — there are apparently sensible causes for its continuation. In retrospect seem idiotic. Crowd psychology is anesthetizing, and speculation is obvious only while hindsight. How much the herd mentality has driven the stock market is unclear. But there are worrisome signs. Corporate takeovers inspired much

Gorbachev: Concessions In Advance

By Jim Hoagland

LONDON — The diplomatic action was in Moscow and Brussels last week as the United States virtually wrapped up negotiations with the Soviet Union to remove medium-range nuclear missiles from Europe. But No. 10 Downing Street is perhaps the best place these days to get a clear understanding of the big movements under way in East-West relations.

A satisfied afterglow remains from Margaret Thatcher's triumphant welcome in Moscow. But it is giving way to hard-nosed analysis of the long-term gains that Mikhail Gorbachev sought by buttering up the Iron Lady and then ostensibly sweeping aside final obstacles to the medium-range agreement in his meetings with Secretary of State George Shultz.

Neither act costs Mr. Gorbachev much in real terms. But they also bring him little immediate gain at home and can probably be used against him by hard-line opponents. Why do it? The best hypothesis heard here is that they fit into a determined new effort to get President Reagan into one final arms-control summit where he might agree to limit the testing and development of space-based weapons systems.

By offering concessions in advance in the form of the medium-range missile agreement, and by focusing his highly personalized style of diplomacy on Mrs. Thatcher and Mr. Shultz, Mr. Gorbachev appears to be hoping to build up credit to draw on when he confronts Mr. Reagan once again with demands to alter his positions on the anti-ballistic missile treaty and the Strategic Defense Initiative.

Domestically, Mr. Gorbachev is compared to Lenin. Diplomatically, he increasingly resembles Egypt's Anwar Sadat, who believed that dramatic gestures and "paying in advance" would eventually compel his negotiating adversaries to respond in kind.

In wooing Mrs. Thatcher, Mr. Gorbachev has gained a powerful friend in court in Washington. The British prime minister is seen in London and Moscow as the only leader who has succeeded in raising in the American president on ABM and SDI issues. She would undoubtedly be the most important foreign voice Mr. Reagan would listen to before a summit with Mr. Gorbachev.

There is no suggestion here that the Moscow welcome will in any way influence her own positions on arms control or other matters of substance. But, as one of her advisers noted, Mr. Gorbachev "played fair with her, and it will stand him in good stead."

That is, it has filtered down to officials here that Mrs. Thatcher came home persuaded that Mr. Gorbachev is sincerely seeking to lower tensions with the West and that his proposals deserve serious consideration.

That feeling (and the divisions of public opinion at home on nuclear weapons) helped neutralize what could have been a negative British government reaction to the "zero option" agreement on medium-range rockets that Mr. Shultz presented to NATO foreign ministers in Brussels.

Mr. Gorbachev's lavish hospitality for Mrs. Thatcher also underlines a striking rearrangement of Soviet priorities in Western Europe. While warmly embracing Mrs. Thatcher, he has turned a cold shoulder to French Prime Minister Jacques Chirac, who was due to visit Moscow next month.

Mr. Chirac is almost certain to postpone that trip. The Russians have failed to agree to the dates proposed by the French and made clear that Mr. Chirac would not get anything like the triumph staged for Mrs. Thatcher.

The contrast provides a final bit of proof that France's once special relationship with the Soviet Union is broken, perhaps beyond repair for years to come. With France persistently and sharply rejecting Mr. Gorbachev's arms control policies and applying the same controls to technology exports as other European countries, the Russians appear to have concluded that they can gain little from keeping it as a privileged interlocutor for Europe.

West Germany has traditionally competed with France for the right to be the Soviet Union's European partner in dialogue. But Chancellor Helmut Kohl is mediating within his badly divided government instead of leading it, particularly on arms control matters. Bonn's positions are seen as mushy and not likely to influence Washington on the issues that still hold Mr. Gorbachev's attention.

Mr. Gorbachev has therefore abandoned the notion of the "Europeans" forming a cohesive bloc on security matters, and is concentrating instead on Mrs. Thatcher, the one leader who can influence Mr. Reagan and who has both the national support and the temperament to pursue radical new courses if she decides to.

The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The Last Moments

NEW YORK — The following account of the Titanic disaster is given by Lawrence Beesley of London: "In the distance the Titanic looked enormous. Her length and her great bulk were outlined in black against the starry sky. Every porthole and saloon was blazing with light. It was impossible to think that anything could be wrong with such a leviathan when it was not for that ominous tilt downward in the bows . . . At about two o'clock we observed her settling very rapidly. She slowly tilted straight on end, with the stern vertically upwards, as she did so the lights . . . went out altogether. The machinery roared down through the vessel . . . Then, with a quiet slanting dive, she disappeared. We longed to return to pick up some of those who were swimming, but this would have meant the swamping of our boat and the loss of all of us."

1937: Supervising Spain

LONDON — A unique experiment in international cooperation to prevent the spread of war began [on April 20] when the full scheme of land and sea control of Spain's coasts and frontiers went into operation. Whether it will actually be effective depends largely upon the navies of Britain, France, Germany and Italy, which are charged with the duty of seeing that outsiders do not smuggle troops or arms into Spain. Twenty-seven nations of the Non-Intervention Committee adopted the scheme. This is the biggest step yet taken to impose the policy of non-intervention which has been the subject of controversy and delays for months. Observers have been stationed for some weeks on the frontier between Spain and France, and ships of four navies will supervise the Spanish coasts.

LETTER TO THE EDITOR

Spies in Bonn and Oslo

In "Espionage: Is It All Really Necessary?" (April 15), William Pfaff cites spy cases in America and Britain and argues against the value of spying, observing for example that the Soviets have not, as far as we know, penetrated the British cabinet and been able to influence British policy. But there are other cases.

In 1974, Willy Brandt had to resign as chancellor when it was discovered that the chief of his political secretariat, Günter Guillaume, was an East

German agent. Is it conceivable that Mr. Guillaume had no influence on West Germany's Ostpolitik?

In Oslo, Arne Treholt, special adviser to the then minister of the law of the sea, was convicted in 1985 as a Soviet spy. He had kept the Soviets informed of his country's bargaining positions in Norwegian-Soviet negotiations on the delimitation of the territorial sea around Svalbard, an area of considerable strategic importance. There is still no solution in sight to that problem.

ESKIL SVANE, Montpellier, France.

هكمان العربى

7 Are Slain In Ethnic Fighting in Pakistan

KARACHI, Pakistan — Four persons were killed in a fresh outbreak of ethnic rioting in Karachi on Sunday, raising to seven the death toll since trouble began Saturday night, doctors said. The police confirmed five deaths and said they had arrested more than 20 persons during fighting between the Pathans and Muhajir ethnic communities. Pathans, originally from north-west Pakistan and Afghanistan, have a long history of rivalry with the Muhajirs, Urdu-speaking Muslims who came to Pakistan after the partition of the Indian subcontinent in 1947.

The doctors, who had earlier reported three persons dead in clashes Saturday night, said four more persons had died Sunday in a gunfight between members of the two communities in a Karachi suburb. They said they had treated 40 persons, mostly with injuries caused by bullets, knives and stones.

The police said the trouble began when armed Pathans attacked Muhajirs in the suburb of New Karachi at midnight.

They said they fired tear gas Sunday to disperse crowds. Residents said the police also fired warning shots in the air as sporadic incidents continued Sunday morning.

The local authorities said that the police fought a 30-minute gun battle with "intruders" who set fire to houses and shot at policemen. They did not identify the intruders.

At least 200 people have died in clashes in Karachi in the last six months but the city of more than seven million people had been relatively quiet for almost three months.

On Friday evening, the militant Punjabi-Pathan Ittehad organization held a rally in the suburb of Orangi town, scene of mass bloodshed in December.

Speakers demanded that Muhajirs go back to India. Witnesses said hundreds of Pathans fired shots into the air and brandished Kalashnikov rifles, pistols and shotguns.

The local authorities said Sunday that the attackers, armed with automatic weapons, were from the town of Surjani, a housing development under construction.

Many Pathans moved illegally into Surjani after their homes in Sohrah Goth, once a center for arms and drug smugglers, were pulled down in an army operation in December.



A Buddhist monk was taken into custody in Seoul on Sunday after police fired tear gas to disperse thousands of anti-government demonstrators marking a 1960 student uprising.

South Korea Sentences 2 Legislators As Part of New Drive Against Foes

By Clyde Haberman
New York Times Service
SEOUL — A South Korean court has imposed jail sentences on two opposition legislators amid reports that prosecutors planned to step up criminal proceedings against more anti-government politicians. The imposition of the jail terms was suspended for two years.

The two legislators, members of the National Assembly, were convicted on charges of having incited student demonstrators when they denounced the government outside the gates of Korea University in September 1985.

One of the assemblymen, Park Chan long, received a one-year jail term and the other, Chough Soon Hyung, an eight-month sentence.

The sentences fell into a pattern of rigid responses by the authorities to their opponents since April 13, when President Chun Doo Hwan canceled debate on revising the Constitution to allow for direct elections of a new president.

In the last few days, several opposition politicians have been indicted or questioned in cases that were either politically related or, if criminal in nature, were suddenly revived after lying dormant for as long as two years.

South Korean newspapers reported Saturday that 15 to 20 legislators, including a few from the ruling party, would be investigated on suspicion of illegal activities. According to one source, Mr. Chun has said he would like to crack

down even on politicians suspected of traffic violations. The Korea Herald, a government-backed English-language paper, quoted an unidentified ruling party source as saying the purpose of the criminal inquiries was to "refresh the political atmosphere."

In his announcement on the constitutional debate, Mr. Chun said the country needed "untainted and competent politicians," and called for "improving the political climate through attitudinal reform."

An opposition leader, Kim Young Sam, called the crackdown an act of "political retaliation" against a new party that he formed 10 days ago with another dissident politician, Kim Dae Jung.

Other anti-government figures saw an attempt to force them out of politics, since a convicted criminal may not sit in the National Assembly once he has exhausted his appeals.

"It may be just a warning, but I think it's more than that," said Lee Chol, a national assemblyman who joined the Kims' party. "They obviously want to kick me out of the Congress."

Mr. Lee was indicted last week in connection with an offense said to have been committed 15 months ago involving the alleged distribution of an anti-government statement to foreign embassies and news organizations. According to the charges, he violated a 1975 law forbidding South Koreans from defaming the state to foreigners.

On Sunday, police fired tear gas to disperse thousands of anti-government demonstrators who were marking the anniversary of a student uprising on April 19, 1960, that led to the downfall of President Syngman Rhee.

The demonstrators called for the restoration of democracy after paying tribute to about 200 students killed in the 1960 uprising. Witnesses were quoted as saying that more than 100 were arrested.

Student protests have been few and uncommonly reserved in the six weeks since classes resumed after a winter recess. But they gained intensity after Mr. Chun's announcement and at week's end there were reports of unrest and sporadic clashes with the police on 40 campuses in Seoul, Pusan and other major cities.

Rob Tae Woo, chairman of the governing Democratic Justice Party, clearly had the two Kims in mind Saturday when he denounced politicians who were "blinded by the ambition to take political power through revolutionary uprising."

But Mr. Roh, the front-runner to be his party's presidential candidate when it holds a convention in June, made a conciliatory gesture by announcing proposals for change.

They included a gradual expansion of political autonomy in villages and small cities, modifications of stern press laws and release of an unspecified number of political prisoners.

Asians Warned to Act Now to Stop AIDS

By Michael Richardson
International Herald Tribune

SINGAPORE — Parts of Asia may soon be afflicted by a large-scale outbreak of AIDS unless public education and control measures are improved, experts warn.

They cite widespread prostitution and drug abuse involving shared syringes, especially in the Philippines, Thailand, Japan, Malaysia and Hong Kong. The region, which contains more than half the world's population, has so far avoided the epidemic of acquired immune deficiency syndrome.

Hiroshi Nakajima, director for the World Health Organization, said recently that Asia was "the last frontier for AIDS."

Throughout Asia, fewer than 100 deaths from AIDS have been reported in the World Health Organization. But health workers say they believe there are now thousands of carriers of the AIDS virus among the region's drug addicts, homosexuals and prostitutes.

The virus is spread through sexual intercourse or exchange of blood. It breaks down the body's immunity system against fatal cancers and infections.

Indonesia and Singapore announced their first reported AIDS deaths this month.

The victim in Indonesia was a Dutch tourist who got AIDS overseas. The Singaporean, officials said, had been infected after receiving blood transfusions during a medical operation while he was abroad.

A Zairean diplomat based in Chioa died of AIDS in March in Hong Kong, where he had gone for treatment. In February, a 62-year-old man became South Korea's first fatality.

In an interview, Ian D. Gust, director of virology at the Fairfield Infectious Diseases Hospital in Melbourne, Australia, said that mass travel and tourism made it difficult to stop the spread of AIDS.

He said one risk for Asia was that the disease was being imported by "sexual tourists" and spread through contacts with male or female prostitutes who did not know how to protect themselves and continued to ply their trade.

The Philippines is considered particularly vulnerable because of the heavy influx in recent years of U.S. servicemen on recreation leave. U.S. servicemen stationed there, and pleasure seekers from Australia and Japan, the two countries most seriously affected with AIDS in the western Pacific.

The spread of AIDS from U.S. bases has become a concern in recent months in the Philippines, where 17,000 American servicemen and 16,000 dependents are based. Since the disease appeared in

Australia in the early 1980s, more than 25,000 carriers of the AIDS antibody have been detected in tests.

Doctors in Australia said at least 25 percent would develop AIDS within four to 10 years. The death toll from AIDS in Australia has risen in 238, with 24 deaths reported in the month of March 26.

Japan has had 36 confirmed patients, of whom 24 have died. Experts estimate that there are 7,000 to 10,000 AIDS carriers in Japan.

The health authorities in Australia and Japan say they are concerned at the way in which AIDS is slowly spreading from immediate high risk groups — intravenous drug addicts, homosexuals, bisexuals and blood bank recipients — to heterosexual men and women.

Dr. Yuichi Shiohara, chairman of a special medical council set up in December by the Japanese government to combat AIDS, said he believed the most important single measure was to "inform and educate people."

Neal Blewett, Australia's health minister, said he will invite his ministerial counterparts and their ad-

visers from the Asia-Pacific region to a World Health Organization conference in Sydney or Melbourne in July to pool information on the disease and cooperate in preventing its spread.

Dr. Jonathao Mann, coordinator of the organization's international AIDS program, said in Washington in March that his agency was expected to spend about \$37 million in 1987 to help set up national programs to control the disease.

He said this budget would probably double every year for the next few years.

Early this month, a Health Ministry official in Beijing said that foreigners intending to stay in China for more than a year would have to prove they did not have the AIDS virus before they were granted a residence permit.

The official said that Chinese nationals returning from working overseas must also undergo health checks.

P.V. Narasimha Rao, India's minister of human resources development, said in Parliament in February that nearly 1,130 foreigners

had been tested since the government ordered the screening of all foreign students in August.

There are an estimated 20,000 foreign students in India, more than 80 percent of them from Africa.

Mr. Rao said 10 of those tested had been found to be infected with the AIDS virus. The decree ordered deportation of AIDS victims but the minister did not say what action had been taken.

After Japan and Australia, the most comprehensive program to limit the disease is being undertaken by South Korea, which has said it wants to ensure the safety of thousands of tourists expected to attend the 1988 summer Olympic Games in Seoul.

The South Korean health officials said legislation to be submitted to parliament later this year would empower the government to expel foreign AIDS carriers from the country and order prostitutes to undergo tests for the disease.

These tests are already performed regularly on call girls near U.S. bases in South Korea and at homosexual bars across the country.

Crackdown on Tamil Rebels Urged

Appeal in Sri Lanka Follows Attack That Killed 126

By Barbara Crossette
New York Times Service

COLOMBO, Sri Lanka — Sinhalese groups have called on the government to take a tougher approach against Tamil terrorism following Friday's guerrilla attack in which 126 people were killed.

Women and children were among the fatalities when terrorists stopped a succession of buses and trucks on a country road north of here and sprayed the passengers with gunfire.

Most of the dead were ethnic Sinhalese. Survivors said Tamils and Moslems were ordered off the vehicles before the killing began.

At least 64 people were reported wounded in the attack. Sinhalese organizations also called for the abandoning of the government's plan to grant limited autonomy to Tamil regions in the north and east as a means to end the separatist rebellion.

Gamini Iriyagolla, a spokesman for the Federation of Sinhalese Organizations, said, "This mass murder is the latest in a series of genocidal attacks by Tamil terrorists against the Sinhalese majority as a matter of policy, in pursuit of racist political aims."

He said civil war would follow if Sri Lanka was divided into autonomous regions, as demanded by the rebels, and he urged the govern-

ment "to crush terrorism in this country forthwith."

The authorities blamed the country's most powerful Tamil separatist army, the Liberation Tigers of Tamil Eelam, for the killings, which occurred in a week that was holy in Sri Lanka's Buddhists, Hindus and Christians. Sinhalese are largely Buddhists, and Tamils are mostly Hindu. The Christian community draws on both ethnic groups.

The Liberation Tigers, in a statement from their headquarters in Madras, India, denied the government charges, calling them "unfounded and aimed at tarnishing our image."

The attack took place near the village of Aluth-Oya, about 120 miles (195 kilometers) northeast of Colombo in the Trincomalee district, a strategically and economically important region being bitterly fought over by the minority Tamils and the Sri Lankan Army, which is dominated by the Sinhalese majority.

Friday's assault was the worst act of violence in Sri Lanka since Tamil guerrillas attacked the holy city of Anuradhapura in May 1985, leaving nearly 150 people dead.

The attack came as a surprise to the government, which had declared a cease-fire for the festival season.

Over the last month, the Liberation Tigers and a rival guerrilla group, the Tamil Eelam Liberation Organization, have been preoccupied with internecine fighting.

The Tigers' commander in the northern city of Jaffna, where Tamil militants control the streets, barely survived an assassination attempt by other Tamils. The Tigers were reported to have killed dozens of their rivals in revenge.

The Tamil guerrillas have been under heavy pressure from government forces over the last few months but have apparently withstood that, as well as an embargo on fuel shipments to their regions.

The government said Saturday that it had flown in 5,000 troops to hunt for the attackers. But the army's scrub and jungle landscape makes the fast-moving rebel armies difficult to find, military officers said.

The militant Tamils of the north and east, who form about 12 percent of the country's population, are fighting for an independent territory they want to call Tamil Eelam. Another group of Tamils, different by caste and history, populate the hilly central tea-plantation area of Sri Lanka. These Tamils, who make up about 6 percent of the population, have not joined in calling for a separate state.

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The American Museum in Britain

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Soviet SS-20s Were First Step

By Barry James
International Herald Tribune

The debate on missiles in Europe began in the late 1970s with the deployment of a new Soviet missile, the SS-20, intermediate in range between strategic weapons capable of hitting the United States and tactical weapons that might be used in Europe.

Mobile, concealable, and armed with three nuclear warheads, the SS-20, with a range of up to 3,000 miles (4,850 kilometers), threatened all of Western Europe.

For European members of the North Atlantic Treaty Organization, the SS-20 raised questions about the effectiveness of the American nuclear umbrella.

If the Soviet Union attacked them, could they be certain the United States would commit its strategic arsenal to their defense and risk destruction of its own territory?

Henry A. Kissinger suggested in a 1979 speech that the answer was "no."

The NATO response to the threat was its "two-track" decision of 1979. It would deploy 108 Pershing-2 missiles and 464 ground-launched cruise missiles as a European-based countermeasure to the SS-20. At the same time, NATO said it would forego the deployment if the Soviet Union agreed to dismantle its SS-20s.

Moscow declined, and the NATO deployment began at the end of 1983. With the buildup continuing, NATO has at least 316 cruise and Pershing-2 missiles compared with 44 SS-20s.

But at their summit meeting in Iceland last year, President Ronald Reagan and Mikhail S. Gorbachev tentatively agreed to eliminate all land-based intermediate-range missiles from Europe, retaining 100 warheads on each side in Alaska and the Far East.

Washington insisted that the pact must include the elimination of about 130 shorter-range Soviet missiles, with a range of 300 to 600 miles.

Mr. Gorbachev now has agreed to this, and gone further by proposing to eliminate even shorter-range nuclear missiles in Europe, down to the battlefield level. He has also expressed his

The Missiles on the Table

United States

Ground Launched Cruise Missile
Range: Approximately 1,550 miles
Size: 21 feet
Warhead: 1
Destructive force: Equivalent to 200,000 tons of TNT
Number deployed: 208 in Western Europe (Britain, West Germany, the Netherlands, Belgium and Italy)

Pershing 2

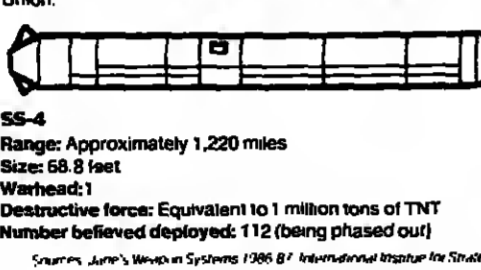
Range: 1,120 miles
Size: 34.4 feet
Warhead: 1
Destructive force: Adjustable from 5,000 to 50,000 equivalent tons of TNT
Number deployed: 108 in West Germany

Soviet Union

SS-20
Range: Approximately 3,100 miles
Size: 52.8 feet
Warheads: 3
Destructive force: Each warhead is equivalent to 150,000 tons of TNT
Number deployed: NATO says the Russians have 270 in the European part of the Soviet Union. The Soviets say they have 243. In addition, 171 are deployed within the Asian part of the Soviet Union.

SS-4
Range: Approximately 1,220 miles
Size: 58.8 feet
Warheads: 1
Destructive force: Equivalent to 1 million tons of TNT
Number believed deployed: 112 (being phased out)

Source: Arms & Armaments Systems 1986-87, International Institute for Strategic Studies



willings to achieve an accord on chemical weapons.

Now the Europeans are once again. They fear that if President Reagan accepts Mr. Gorbachev's proposals, they will be deprived of a relatively cheap and efficient nuclear deterrent and left vulnerable to the Soviet Union's numerical superiority in conventional weapons.

And, as in the 1970s, they are worrying about whether they can trust the United States to defend them with its strategic arsenal — including nuclear weapons carried aboard submarines and bombers — if Wash-

ington agrees to withdraw weapons deployed in Europe.

For the Europeans, medium- and shorter-range missiles are central to the disarmament debate. For the United States, an agreement on intermediate or shorter-range missiles is but a step on the long road toward a possible accord on the longer-range strategic arms.

Until that day comes, Britain and France say, there is no question of negotiating away their independent nuclear strike forces, which are considered to be strategic rather than part of the strictly European balance.

Bonn Split Widens Over Gorbachev Missile Plan

BONN — Differences are widening in West Germany's center-right coalition government over how to respond to the proposal by the Soviet Union to abolish shorter-range nuclear missiles from Europe.

Foreign Minister Hans-Dietrich Genscher cautioned Sunday in a newspaper interview against dismissing the offer out of hand. Defense Minister Manfred Wörner, however, has warned that it would undermine the North Atlantic Treaty Organization's strategy of nuclear deterrence.

Mikhail S. Gorbachev, the Soviet leader, told Secretary of State George P. Shultz last week that Moscow was ready to pledge to do away with its shorter-range systems within one year as part of an agreement to eliminate medium-range missiles from Europe. The shorter-range missiles have a reach of about 300 to 600 miles (500 to 1,000 kilometers).

Mr. Genscher told the newspaper Die Welt that the offer should be given thorough consideration because it involved a category of missiles that the United States did not have.

"Nobody should wipe these Soviet proposals from the table without weighing them up conscientiously," Mr. Genscher said.

Sources in Mr. Genscher's liberal Free Democratic Party said a word of support for the proposal when the cabinet opens discussions on it after the Easter recess. The cabinet is dominated by Chancellor Helmut Kohl's conservative Christian Democrats.

West Germany faces the gravest potential threat from Soviet shorter-range missiles.

Mr. Wörner and other senior Christian Democrats have argued that the West must retain the right to build up its arsenal of such systems to an equal level as long as Moscow has a superiority in conventional forces.

He told a radio interviewer that he favored limiting any missile agreement to the elimination of medium-range missiles, with a range of 600 to 1,800 miles. Further reductions should be made dependent on cuts in Soviet conventional arsenals, he said.

Mr. Wörner said NATO must maintain its strategy of flexible response, under which the West reserves the right to answer a Soviet conventional attack with nuclear weapons if necessary.

The opposition Social Democratic Party leader, Hans-Jochen Vogel, urged Mr. Kohl on Sunday to clarify his government's reaction to the Soviet offer. He said contradictions between Mr. Genscher and Mr. Wörner were causing uncertainty in both the East and West.

BORDER: Guerrillas Raid Israel

CAIRO — Egyptian troops reportedly have set a curfew on the south Lebanese village of Meiss el-Jebel, just across the border from the Menara kibbutz, and were searching houses, Israeli military officials said, they suspected the Palestinians may have set out from the village.

"All of this has happened very close to our settlements," said the northern front commander, Major General Yossi Peled. "It was imperative that we quickly found the squad and killed its members."

The upsurge in anti-Israeli activity in south Lebanon, after several months of relative quiet, is viewed by Israeli military officials and Lebanon experts as a direct result of Syria's dispatch in the last two months of its troops into Beirut and then down the Lebanese coast-al highway to the Sidon area.

The Israeli security zone extends from five to 12 miles (eight and 19 kilometers) north of the Israel-Lebanon border. Israeli military officials believe the guerrillas came from the south Lebanese part of Sidon and arrived in the security zone sometime in the past two days and were being hidden in a local village.

This in itself is a serious development, suggesting that elements of

REBEL: Argentine Soldiers End Their Revolt After Meeting With Alfonsín

(Continued from Page 1)

Mr. Angeloz was quoted by the state news agency Telam as saying, "Everything seems to indicate that at some point the chain of command has been broken, since there is resistance to acting against the rebels."

After he fled the Córdoba base on Friday, Major Barreiro is believed to have sought refuge at a foreign consulate or church in Córdoba.

The uprising was the worst military crisis under Argentina's democratic government. Mr. Alfonsín, who took office in 1983 after almost eight years of military rule, has said he wants to avoid bloodshed.

An estimated 100,000 people, many waving flags, gathered Sunday in the Plaza de Mayo in Buenos Aires for the fourth consecutive day of demonstrations against the military revolt.

At a ceremony inside, political, labor and business leaders signed a document condemning uprisings, saying democracy was the only road for Argentina.

The document urged people to stay "in all of the streets and squares of the republic to show their support for peace and this historic pact."

Colonel Rico had said that almost the entire army supported him. He said Saturday night: "The army is fed up with being slapped around. This, here, is the national army, this is the professional army."

Other rebel officers said they remained loyal to Mr. Alfonsín but did not recognize the authority of the top army leadership.

Political sources said that, because of widespread military dissatisfaction over trials for human rights abuses, it was not certain whether the government had the clear support of the armed forces in putting down the rebellion.

The navy chief of staff, Ramón Arce, said the crisis had sparked "deep concern" in his service. He said the uprising was "the result of unhealed wounds that have been festering and led to circumstances of extreme difficulty."

On Saturday night, the governor of Córdoba Province, Eduardo Angeloz, a key political ally of Mr. Alfonsín, had said troops loyal to the government were resisting orders to use force against the rebels.

Mr. Angeloz was quoted by the state news agency Telam as saying, "Everything seems to indicate that at some point the chain of command has been broken, since there is resistance to acting against the rebels."

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FLY: Rule Changes Prompt Suits

(Continued from Page 1)

Hawaii are displacing paying customers, particularly in first class, where a round-trip ticket between New York and Honolulu costs \$2,498.

"Some of the airlines were giving away the store," said Maxine Ehrenreich, a Long Island resident who belongs to several programs. United now requires 90,000 miles (about 146,200 kilometers) for two round-trip tickets to Hawaii in first class, instead of 75,000. But it also lowered the level needed for a round-trip coach ticket anywhere in the continental United States, Mexico, Canada or the Caribbean to 35,000 miles, from 40,000.

United May 1, American Airlines frequent fliers can earn two round-trip coach tickets to Hawaii for 50,000 miles. After May 1 the requirement climbs to 75,000. But American plans to introduce a new award for domestic travel that matches United's offer.

The changes have drawn more criticism than thanks from travelers, many of whom discovered them tucked away in the fine print of their monthly frequent flier statements.

The attorneys general of California, Kansas and New York are investigating the possibility of consumer fraud violations.

"I think they've got some very good arguments concerning basic contract law," said Christopher M. Ames, a deputy attorney general in San Francisco.

Consumers in Chicago and San Diego have filed separate lawsuits representing passengers as a class against United, American and TWA. The Hawaii Legislature

passed a resolution last month condemning United and American as having "thoughtlessly failed to consider the future ramifications of their actions."

United, the largest carrier to Hawaii, is so flustered by all the reaction that it is re-examining the new levels that took effect Jan. 1. "At this point we're seriously considering changing our structure," said James E. Goodwin, senior vice president for marketing at United.

The angry chorus of complaints has caught many airline executives by surprise. Frequent flier programs have enjoyed runaway success since American introduced the first one in 1981. Originally conceived as short-term publicity moves, the programs have evolved into "the single best marketing plan ever devised by the airlines," according to James B. Smith, director of business marketing for TWA.

The programs have transformed spending and marketing patterns and have become a competitive tool that the carriers use to instill loyalty in their customers. For business travelers deciding whether to fly, they rank second in importance only to schedule convenience.

There are 15 million to 20 million memberships in frequent flier programs in the United States, and last year members took free trips valued at \$1 billion, according to John Holland, president of The Business Flyer, a newsletter.

A billion dollars also is enough to attract the interest of the Internal Revenue Service, which is expected to propose regulations later this year requiring frequent fliers to report their free trips as taxable income.

DUTCH: Abbey's Service

(Continued from Page 1)

pluralistic nation's already liberal policies on these subjects.

"Brotherly love," said Willem vanden Elzen, a 23-year-old conscientious objector who is doing his 18 months' national service in the abbey's office "rather than in the army." "The Dutch people have learned not to like authority and intimidation. Father Baeten is terrific; he leads gently."

At the Good Friday commemoration in the abbey church, Mr. vanden Elzen said one important point for a visitor to realize was that the gathering of more than 200 faithful who joined in prayer and song with the abbey's 20 monks were mainly the "strict" Catholics, middle-class family people in good standing with church regulations.

Thus Berne Abbey could be seen on this critical church weekend of rebirth as far from ostracized by mainstream laymen. In prayer, in silence, with heads bowed together with the white-robed monks, the faithful presented some credence with the nonconformal hopes of centuries-old tradition.

"You spoke to us in our deepest need: Your body has been broken," read a prayer chosen for the Easter resurrection service. "Think of your Lord until he comes back."

"We have seven centuries of continuous pastoral involvement here, and I think you could say that we know our people," Father Baeten has observed in defending the abbey and its policy of sanctuary from criticism. "No one can accuse us of being unworshipful priests."

ARMS: Lawmaker See Danger in Euromissile Proposal

(Continued from Page 1)

House of Representatives, was based on meetings after the visit last week by Mr. Shultz.

The House members said the Russians were willing to bargain further on the main sticking point, the disposition of shorter-range nuclear missiles. The Soviet Union has proposed eliminating this class of weapons together with the medium-range missiles from Europe. But the West European allies have expressed concern that this would lead them to the mercy of superior Soviet conventional forces.

Mr. Wright, the House speaker, said Saturday that he "got the feeling" the Soviet Union would ultimately agree to ally the allies' fears by allowing each side "some mutually agreed number" of shorter-range missiles.

Representative Les AuCoin, Democrat of Oregon, said of the Russians:

"They want an agreement for the moment it would create in the post-Reagan era. They will kick the U.S. around a little bit if they don't get their way on shorter-range missiles, but I think their eye is clearly fixed on the next administration. They want a deal, and my feeling is they will go a distance more."

Mr. Wright said, "We believe that this moment in history presents to us the very best opportunity we have seen, surely in the past 50 years, to achieve a constructive, mutual and verifiable, and we believe to the advantage of both our countries."

He added, "Frankly, I discerned a relatively greater sense of flexibility on the Soviet side than on the U.S. side."

Mr. Reagan, who spoke from his ranch after meeting with Mr. Shultz on his arms discussions in Moscow, said the two sides had agreed on the principle of on-site verification, which has been a stumbling block on an agreement.

In addition, he suggested progress on resolving another roadblock — concern by the United States and the Western allies over shorter-range nuclear forces.

Mr. Reagan said both sides had agreed on conducting negotiations on such weapons under a "global framework" that would take account of Soviet missiles in Europe and elsewhere.

"It is my hope that the process now under way continues to move forward and that Mr. Gorbachev and I can complete an historic agreement on East-West relations at a summit meeting," he said.

The spokesman declined to specify how it was determined that the dead guerrillas were aligned to Mr. Arafat, other than to say that they were carrying PLO literature.

The incident was the latest in an intensifying series of clashes between Israeli troops and Palestinian and Lebanese Shiite Muslim guerrillas along Israel's northern border.

Eighteen members of the pro-Iranian Shiite Hezbollah, or Party of God, militia were killed Saturday when they tried to overrun a position jointly manned by Israel and its ally, the South Lebanese Army militia, in Israel's self-declared "security zone" north of its border with Lebanon, according to an army spokesman.

Four Israelis were also wounded in the same confrontation. Two weeks ago, two Israeli soldiers were killed in a similar clash.

The Israeli security zone extends from five to 12 miles (eight and 19 kilometers) north of the Israel-Lebanon border. Israeli military officials believe the guerrillas came from the south Lebanese part of Sidon and arrived in the security zone sometime in the past two days and were being hidden in a local village.

This in itself is a serious development, suggesting that elements of

50.5 Million People in Egypt

CAIRO — Egypt's population reached 50.5 million this year, an increase of 12 million from 1976, and grew at an average annual rate of 2.8 percent during the last 10 years, according to government statistics.

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TOSHIBA TO POWER APPLIANCES

FROM THERMAL POWER

MONDAY, APRIL 20, 1987

Page 7

EUROBONDS

Intervention, Sharp Words, Holiday Brake Dollar's Fall

By CARL GEWIRTZ International Herald Tribune

PARIS — Central banks responded forcefully last week to the challenge from markets to put up or shut up by intervening heavily in the foreign exchange market to stabilize the dollar and by stepping up public statements that further depreciation of the dollar is not currently desirable. The reaction was immediate. After setting a low of 140.25 yen and 1.7950 Deutsche marks following the report of a widening of the U.S. merchandise trade deficit in February, the dollar ended the week at 142.80 yen and 1.8095 DM for only a modest decline on the week. The stabilization was helped by the holiday-shortened weeks. Markets in North America and Western Europe were closed for Good Friday and many European centers will remain closed Easter Monday. Speculators prefer to close out their positions before such a long weekend. Not until Tuesday, then, will it be clear whether markets really believe that a period of exchange rate stability is at hand or whether they will further test the official resolve to hold the line. The official intervention needed to calm the markets has been substantial. Henry Kaufman, senior economist at Salomon Brothers, noted last week that foreign official holdings of U.S. government securities in custody at the Federal Reserve (an approximate indication of foreign intervention in support of the dollar) have risen nearly \$16 billion since the beginning of the year and almost \$10 billion in the last two weeks. It is not to be overlooked that this heavy intervention merely slowed the dollar's decline and, at least so far, has not altered the market's grim view of the dollar's future. The Salomon figures are not a mirror image of the support of foreign central banks and do not capture what the United States was doing. Informed sources say the Federal Reserve has been very active in the market. Its decision to keep this support hidden is frustrating to other central banks that believe that being seen in the market is almost as important as the amount of money spent supporting the exchange rate.

The Fed's decision to hide its support was frustrating to other central banks.

THE FED'S RELUCTANCE to take overt action, it is assumed, is linked to the rising protectionist sentiment in Congress, where intervention would be viewed as counterproductive to reducing the trade deficit. But more important to the U.S. Treasury and the Fed last week were signs that the U.S. bond market was headed into a dangerous tailspin. Not only have Japanese investors ceased purchasing U.S. dollar bonds, investments that are essential if the huge budget deficit is to be financed without a dramatic increase in interest rates, but the Japanese last week began selling some of the dollar bonds they were holding. A massive sell-off from Japan would create a nightmare for the bond market. The Japanese, who have suffered substantial losses on their U.S. bond holdings as a result of depreciation of the dollar against the yen, now are seeing even the capital gains on these investments eroded as U.S. interest rates shift upward and bond prices decline. However, a combination of exchange rate stability, reduced selling from Japan and a belief that the economic outlook does not warrant higher interest rates fueled a recovery in the New York bond market late last week that left bond prices and yields about where they were a week earlier. Speculators in the Eurobond market also recouped their early-week losses. But analysts were uncertain whether this was simply professional short-covering before the long weekend or whether investors were returning because of attractive yield levels. According to Credit Suisse First Boston, the average yield on five-year Eurodollar bonds ended the week at 8.31 percent, or 0.45 percentage points more than comparably dated U.S. government paper. Yields on 10-year Eurobonds of 8.93 percent were 62 basis points over government bonds. A week earlier, the differential over government issues were 23 and 46 basis points, respectively. While it is widely believed that the Japanese and other foreign investors may require more incentive to buy dollar bonds given the prospect for a higher rate of U.S. inflation fueled by the declining dollar, the widening differential in interest rates now is expected to come from a decline elsewhere rather than a further rise in U.S. rates. West German rates, for example, are expected to be nudged lower this week. The Bundesbank has been supplying the domestic market with one-month money at a rate of 3.8 percent, and should drop that rate this week to at least 3.5 percent, signaling its

See EURO BONDS, Page 9

Amoco To Buy Dome

TransCanada's Bid Is Spurned

Reuters

TORONTO — Debt-ridden Dome Petroleum Ltd. has accepted a \$1.1 billion Canadian dollar (\$3.86 billion) takeover offer from Chicago-based Amoco Corp. In accepting, Dome spurned a \$4.3-billion dollar bid from Toronto-based TransCanada Pipelines Ltd., a move that is likely to reopen a debate on foreign ownership of Canada's industries. But TransCanada said it had not given up its bid to acquire Dome. "We've improved our original proposal and we've told Dome we're still prepared to negotiate," said TransCanada's president, Gerald Maier. He did not give details of the improved bid and neither TransCanada nor Dome spokesmen were available in comment on Mr. Maier's statement. Dome and Amoco said Saturday they were negotiating final agreement, which is subject to approval by Dome's shareholders, some of its creditors, the courts and federal regulators. A Dome spokesman, David Annesley, said "the larger portion" of Amoco's bid is for cash, but declined to give a specific figure. Dome's chairman, Howard Macdonald, said the Amoco agreement "offers the best solution to Dome's present problems." Dome began an ambitious expansion program in the late 1970s, borrowing extensively, but its fortunes declined sharply in the early 1980s as oil prices sank. Recently, Dome, which is based in Calgary, Alberta, asked its secured lenders to restructure its \$7 billion dollars in debt under a plan of repayments to the price of oil. Mr. Macdonald said Dome believed the Amoco agreement was "good for all Canadians, because it puts Dome's lands in the hands of a company that has the knowledge and financial resources to develop them much faster than Dome would have under the restructuring plan." However, the agreement is likely to provoke strong reaction in Ottawa, where some politicians have said that a takeover of Dome by a U.S.-based company would reduce Canadian ownership of its oil and gas industry to below 50 percent. Amoco's subsidiary, Amoco Canada Petroleum Co., is the eighth-largest oil company in Canada, with revenues of 975 million dollars last year. Dome had revenues of 1.16 billion dollars last year and reported a loss of 1.65 billion. Amoco said its offer required no special tax concessions from the government. TransCanada's offer would have required about \$450 million in tax concessions. Dome will bring its purchaser 2 billion to 2.5 billion dollars in tax credits from prior losses.

Rockwell Braces for Life After B-1



Construction of the B-1 bomber is due to end at Rockwell International Corp. next year.

By Richard W. Stevenson New York Times Service LOS ANGELES — About a year from now, if all goes as planned, a huge Rockwell International Corp. hangar in the California desert will open its doors and the 100th and final B-1B bomber will roll off the production line into the U.S. strategic arsenal. It will be a bittersweet moment for Robert Anderson, who should be then have retired after 14 years as Rockwell's chief executive. And it will be a point of transition for Donald R. Beal, Rockwell's 49-year-old president, who is expected to succeed Mr. Anderson in February. For the last 15 years, Rockwell has been consumed by the B-1, one of the most expensive and controversial military aircraft programs ever. The payoff has been handsome. The B-1 should account for more than a quarter of Rockwell's projected fiscal 1987 sales of \$12 billion and a similar percentage of its \$700 million-plus in net profit. But now, as the program winds down, Mr. Anderson and Mr. Beal keep hearing a single question: What happens in Rockwell after the B-1? In answering it, both men are eager to minimize the impact of the project on Rockwell's fortunes. "This was a hell of a great company before the B-1 and will be a stronger company should the B-1 wind down as presently scheduled," Mr. Beal said. Their strategy is designed to cope both with the end of the bomber program and changes in the military contracting environment. The executives are transforming Rockwell from a company largely dependent on big aerospace contracts to one that emphasizes smaller, technology-See ROCKWELL, Page 11

U.S. and Japan Send Envoys to Talk on Tariffs

TOKYO — High-level envoys from the U.S. and Japanese governments traveled to each other's capitals on Sunday for talks about trade sanctions the United States has just imposed against Japan. The U.S. trade representative, Clayton K. Yeutter, arrived in Tokyo, while Shintaro Abe, a special envoy of Prime Minister Yasuhiro Nakasone, flew to Washington to ask for the lifting of the sanctions that were announced on Friday. Mr. Abe, a former foreign minister and a leading contender to succeed President Ronald Reagan, Secretary of State George P. Shultz and congressional leaders. He is expected to ask the United States to lift the 100 percent tariffs on Japanese personal computers, power tools and color TV sets. The United States set the tariffs in retaliation after accusing Japan of violating an agreement not to sell semiconductors below cost in third countries, and to increase its purchases of U.S. microchips. Mr. Reagan said the tariffs would cover \$300 million in annual sales. In Tokyo, Mr. Yeutter is to meet Hajime Tamura, the minister of international trade and industry, and hold two days of talks on semiconductor trade. Mr. Yeutter and the U.S. agricultural secretary, Richard E. Lyng, will also discuss the opening of the Japanese agricultural market, another irritant in bilateral trade. In an interview Sunday on a U.S. television talk show, Mr. Yeutter said he felt that chances were "very good" that the Japanese will accommodate us on trade. "There is a lot of self interest in their doing so," he said. "They have a major industry at stake, a major relationship at stake." He added: "Down deep, they know they have not complied" with the semiconductor agreement. Referring to Japan's decision to file an appeal against the tariffs with the General Agreement on Tariffs and Trade, the world body that governs trade, Mr. Yeutter said the United States would abide by any GATT decision. But, he said, "it is most unlikely that GATT will rule against the U.S. I have no hesitation in defending this action before GATT." Japan Will Not Retaliate Earlier, Sam Jameson of the Los Angeles Times reported from Tokyo: Mr. Tamura declared Saturday See TRADE, Page 11

Economist Skeptical of Italy's 'Economic Miracle'

By David Brown Special to the Herald Tribune ROME — The author of a study cited by many here as proof that Italy's economy is now the world's fifth largest is warning that the country's vaunted economic miracle is a myth. Guido Rey, head of the independent Central Institute of Statistics, says he is "not convinced by the euphoria." "We've done a lot in recent years," Mr. Rey said in a recent interview. "Italians are working harder and making more money instead of looking to the state for help. "But we urgently need to increase productivity and cut the balance-of-payments deficit." The balance of payments is a detailed account of a country's foreign transactions, including trade, services and capital movements. It was Mr. Rey's study for the statistics institute, released in February, that showed for the first time the extent to which the so-called "black," or underground, economy is contributing to the national economy as a whole. The study, begun in 1979, showed that an estimated six million Italians have second or third untaxed jobs and are generating about 15 percent of gross national product, income that had not been included in official figures. Revising the official statistics to take account of this, Italy an-

nounced a GNP for 1986 of \$579 billion. Comparing this with Britain's \$567 billion, Italian politicians announced il sorpasso, or the overtaking of Britain as the West's fifth largest economy, after the United States, Japan, West Germany and France. Mr. Rey is critical of comparisons based on GNP, the annual total of all goods and services a country produces, which he calls "unrepresentative" of relative strength. He thinks that differences in bookkeeping methods and fluctuating foreign exchange rates distort the value of such comparisons. And he said that bureaucracy and slipping productivity in the fast-growing services sector were



Guido Rey, the biggest problems facing Italy. "We've seen a sort of half-hearted Reaganomics in this country," he said. "People have been freed to

pursue their goals, but the public sector has kept on growing." The public and private services sector has increased sharply, from 36 percent in 56 percent of the economy, since 1971, Mr. Rey said. But in the past six years alone, despite sharp gains in some industries, productivity has dropped by about 4 percent. Italy's impressive jump in industrial profits and a broad financial restructuring in recent years have sparked talk of "industrial renaissance" here. And Mr. Rey concedes that the Statistics Institute has charted big strides in industry. For instance, Fiat SpA, the largest privately owned industrial group in Italy, doubled net profit each year between 1983 and 1985, although the rate of increase dipped sharply last year. But Mr. Rey said that Italian industry needs to invest in more highly processed and technological products. "We're still producing the same kinds of goods we did 20 years ago," he said. "If we fail to take appropriate steps, the recovery will be ruined by higher inflation, poor competitiveness and a plunge in export earnings." Mr. Rey's main concern is Italian attitudes. He said: "We certainly have no trouble financing our investments, either out of company profits or money from foreign investors. What we lack is courage."

Last Week's Markets

Table with columns for Stock Indices, Money Rates, and other market data.

Currency Rates

Table with columns for Cross Rates and Other Dollar Values.

Debt, Low Export Prices Cut Borrowing in Asia

By Michael Richardson International Herald Tribune SINGAPORE — Hit by low export prices and heavy foreign debt, developing countries in Asia and the Pacific have had to reduce their public sector borrowing and development programs, according to a report to be released Monday. The annual report of the Asian Development Bank covers 29 developing and newly industrialized nations in a region that has achieved some of the highest rates of economic growth in the world over the past decade. The bank said that its lending commitments last year were "less than had been anticipated, reflecting high debt levels and budgetary constraints in some developing

China Reports A Narrowing of Trade Deficit

BEIJING — China has reported a dramatic narrowing of its merchandise trade deficit. A spokesman for the State Statistical Bureau said Friday that the trade deficit at the end of the first three months of this year was \$1.05 billion. It was more than \$3 billion at the end of the first quarter of 1986. He attributed the improved performance to tight controls on imports, especially cars and other consumer goods, a rise in the world price of oil, which China exports, and a sharp increase in exports of coal, rice and cotton yarn. With the deficit offset by a surplus in such service items as shipping and insurance, foreign-exchange reserves had begun to rise for the first time since 1984, he said. The bank defined net resources transfer as loan disbursements less the repayments of principal, interest and other charges. In explaining that decline, the development bank cited both the increase in repayments relative to disbursements and the effect of exchange losses. Some borrowing countries paid back loans in currencies that have appreciated against the U.S. dollar, such as the Deutsche mark and the Japanese yen. The bank is one of the main sources of finance and technical aid for a wide range of public sector programs in the Asia-Pacific area, including agriculture, transport, communications, energy, urban development, housing, education and health. The bank is owned by the regional members and 18 industrialized nations, among them Japan, the United States, Canada, Australia, See ASIA, Page 11

Brother advertisement featuring the Olympic rings logo and the text 'Proud to be part of the brotherhood' and 'Worldwide Sponsor of the IOC'.

هكسان الأجل

New International Bond Issues

Compiled by Aimee Potter Hardoux

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

U.S. Fears Most GNP Growth Is in Inventories, Trade

By John M. Berry
WASHINGTON — Reagan administration economists have not changed their official forecast that the U.S. economy will grow about 3.25 percent this year...

saying that he was expressing his personal views only.
Few, if any, forecasters are worried that a recession is imminent. Many private economists have even raised their predictions for growth since the first of the year.

reduction in the nation's trade deficit.
The Commerce Department will report preliminary GNP results this week for the first quarter. Forecasters' estimates of what the report will show are generally in the 2.5 percent to 3.5 percent range.

mand for goods is not growing strongly, as appears to be the case.
Most analysts believe that consumer spending, business investment to new plants and equipment and government spending all declined in real terms in the first three months of the year.

weak note this year and will not add much to GNP growth anytime in 1987, most forecasters say.
Nar will housing be a source of much strength. The inventory of unsold new homes has gone up, and housing starts are generally expected to be lower than in 1986.

Those sectors are notoriously volatile. In the fourth quarter, the rate of inventory accumulation fell.

the period between the fourth quarter of 1986 and the fourth quarter of this year, adjusted for inflation, to be as high as or higher than 3.25 percent.

inventories and net exports," said the senior Reagan economist. "I don't like forecasts based on increases in just those areas."

Although sales slowed sharply in January, auto manufacturers kept production schedules higher for much of the early part of this year. Thus, a good part of the inventory accumulation was unsold cars.

The latest Commerce Department survey of investment intentions, released last week, showed that executives were revising upward their spending plans for 1987. But capital investment began on a

Greece Ponders a Change in Debt Profile

By Carl Gewirtz
INTERNATIONAL HERALD TRIBUNE
PARIS — The Bank of Greece is asking banks for a \$300 million loan, all it needs to complete its foreign financing requirements for the year.

two lead managers among the six, the Japanese are expected to supply at least 33 percent of the total. But in previous loans, Japanese participation amounted to less than 25 percent.

seven basis points for more than that.
Critics say this is too low and risks sending an incorrect signal to the market about what better-regarded government entities would need to pay to tap the market.

lion will earn a front-end fee of 6 1/2 basis points.
Pioneer Concrete Services Ltd. of Australia has asked Swiss Bank Corp. to arrange a \$200 million multi-option facility to back the issue of Eurobonds.

Chrysler Paid \$23.6 Million to Iacocca in Year

Compiled by Our Staff From Dispatches
DETROIT — Chrysler Corp. paid its chairman, Lee A. Iacocca, \$14 million in salary, bonus and stock in 1986, and he exercised stock options netting another \$9.6 million, bringing his total compensation for the year to \$23.6 million.

INTERNATIONAL CREDIT
The current loan will run for eight years and bear interest at 7 1/2 percent over the London interbank offered rate. The terms represent no change from what the bank paid last year, although the average life is slightly longer.

However, if the market is receptive, officials say they would like to begin restructuring existing debt to stretch out the bump in repayments that starts next year.

A more controversial loan is the \$150 million, seven-year facility being arranged by Chase for Banco di Sicilia, a less than popular name although it is state owned.

The standby revolving credit can be used as a back-up for the sale of certificates of deposit, or underwriters comprising a tender panel can be asked to bid for terms on advances or bankers' acceptances.

EUROBONDS: How the Banks Braked Dollar's Slide

(Continued from first finance page)
desire to see lower rates generally. As it was, call money rates caddled the week at 3.7 percent.

but Japanese investors, who are the major purchasers, do not like the decline in yields. They are confining their buying to the more liquid domestic market, where a quick bid and cost can be more profitable.

The warrants are expensive. Not only is there a premium over the current market price, \$437.75, to buy the gold (at prices ranging from \$490 to \$548), but the interest paid on the bonds is lower than would be otherwise normal.

units while Banque Nationale de Paris and International Corona tapped the Eurodollar market with issues carrying warrants to buy gold.

With markets moving so rapidly, how can I be sure that I can access the right markets at the right time?
CAPITAL STRATEGY FUND LIMITED

Amid Urging to Trim Budget Deficit, U.S. Cuts Grants and Widens Loans

By Judith Havemann
Washington Post Service

WASHINGTON — The pressure of the federal budget deficit has inverted the ancient proverb about the right and left hands. Within the U.S. government today, what the right hand taketh away to budget cuts, the left hand giveth in loans.

loans show up in their entirety the year they are made as if they were handouts, not assets likely to be repaid.

grant programs, which destroys one of the objectives of federal aid to education: to provide financial assistance to people of low income who would otherwise not be able to attend college.

Outstanding federal credit, at \$701.4 billion, has grown so fast that today 14 percent of all money lent in the United States is connected to the government.

Under the bill, Congress would be expected to appropriate the full value of the subsidy annually for each of the approximately 350 different federal loan programs.

Even as they have cut federal spending programs, Congress and the Reagan administration have increasingly resorted to loans as a deficit-reducing tactic.

Experts to both West Germany and Japan voice some surprise that money has not begun to move into the Deutsche mark after the big increase recorded in January. Over the past month, the yen has gained about 3.75 percent against the DM.

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U.S. Consumer Rates
April 17
Primebank Savings 17.00%
Three Month Bonds 7.50%
Bank Buyer 30-Day Index 7.50%
Money Market Funds 8.50%
December's 3-Day Average 8.50%
Bank Money Market Accounts 8.50%
Bank Rate Money Index 8.50%
Home Mortgages, FHLM average 9.00%

Securities Firm Opens in China

BEIJING — The first securities company to operate in China since 1949 has opened in the northeastern city of Shenyang, the overseas edition of the People's Daily reported Sunday.

THORN EMI Pic (CDRs)

The undersigned announces that as from 27th April 1987 at Kas Associates N.V., Spuisstraat 172, Amsterdam, div. ep. no. 20 of the CDRs Thorn EMI Pic, each repr. 50 shares, will be payable with Dfls. 8.25 (ex interim dividend) for the year ended 03.31.1987 5p per share. Tax-credit £1.021 = Dfls. 3.41 per CDR. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.



Investors today, faced with volatile world markets, cannot afford to sacrifice flexibility. Stuck in one market while another is gaining, or committed to a market that's falling, is an all too familiar scene of lost opportunity.

Capital Strategy Fund Limited solves the problem. With its choice of fifteen sub funds it provides daily access to the world's major equity, currency and fixed interest markets.

Gartmore
LAWRENCE FUND MANAGERS INTERNATIONAL LIMITED
Capital Strategy Fund Limited is an open-ended investment company registered in Jersey, Channel Islands. Its Participating Redeemable Preference Shares, listed on the stock exchanges of London and Luxembourg, are divided into fifteen separate sub funds according to the type of investments which constitute the underlying assets of the company.

NASDAQ National Market

OTC Consolidated trading for week ended Friday, April 17

Main table containing stock market data with columns for stock symbols, prices, and volume. Includes sub-sections like 'Selling in 100s High Low Close Chgs' and 'Net'.



(Continued on next page)

ROCKWELL: Life After B-1

(Continued from first finance page) rich commercial and military electronics businesses.

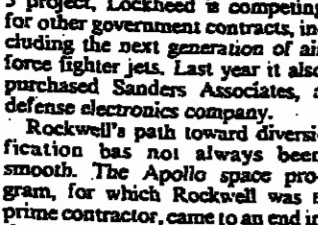
The shift underscores what is happening throughout the aerospace industry. Wall Street has grown wary of most companies that are highly dependent on government contracts.

Mr. Anderson works out of both offices while Mr. Beall is based in California. Although company executives say they will maintain the two headquarters indefinitely, El Segundo is where the decisions are made.

Other defense contractors are trying to position themselves similarly. Lockheed Corp., for example, faces the end of the \$6.7 billion

Rockwell's Strategy Emphasizes Diversification

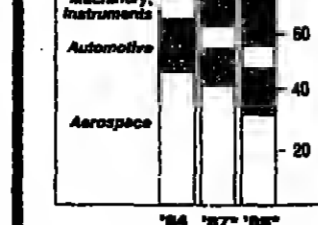
Electronics Will Become Its Largest Business...



Estimated by Goldman, Sachs

Wall Street Expects Continued Earnings Gains

Continued Earnings Gains... Net income in millions of dollars



Estimated by Goldman, Sachs

And Its Stock's Touching New Highs

Monthly close in dollars a share



The New York Times

In 1973, it bought Admiral Corp. on the theory that a company that sent a man to the moon could build a better television.

The assumption was wrong. Few of Rockwell's skills transferred to the price-sensitive consumer marketplace.

Mr. Anderson said, "We're not going to be decimated. We have a balanced mix of businesses and a conservative balance sheet."

Other defense contractors are trying to position themselves similarly. Lockheed Corp., for example, faces the end of the \$6.7 billion

might prove to be too cyclical, like Rockwell's automotive components business.

Mr. Anderson acknowledged that Allen-Bradley is suffering while one of its biggest customers, General Motors Co., re-assesses its capital spending plans.

In addition, the government has asked Rockwell to build a space shuttle to replace the Challenger, which exploded in midair in January 1986.

Rockwell has been relatively untroubled by the controversy around the B-1. For several months, Representative Les Aspin, the Wisconsin Democrat who is chairman of the House Armed Services Committee,

Federal funds to build the Challenger's replacement are scheduled to become available in August. Until then, Rockwell is spending \$20 million of its own to keep technicians on the project, which is expected to take 45 months to finish.

Rockwell's involvement with high-visibility programs is likely to continue beyond the B-1 and the shuttle. The company hopes to build a large portion of the U.S. space station, which is expected to become operational by the middle or late 1990s.

Rockwell also is competing to design the so-called National Aerospace Plane, which would be a combination hypersonic passenger plane and low-orbit aircraft.

The next major event anticipated at Rockwell is the passing of the baton from Mr. Anderson to Mr. Beall. The men are in close touch and claim to think much alike.



Donald R. Beall, president of Rockwell International Corp., with a Navstar satellite; and Robert Anderson, the chairman. Mr. Beall is expected to be Mr. Anderson's successor.



Robert Anderson, chairman of Rockwell International Corp., with a Navstar satellite; and Donald R. Beall, the president. Mr. Anderson is expected to be Mr. Beall's successor.

ments to Rockwell's earnings in the next several years will come from events beyond the company's control. A lower corporate tax rate and more liberal rules for accounting for overfunded pension plans will add substantially to net profit.

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Other defense contractors are trying to position themselves similarly. Lockheed Corp., for example, faces the end of the \$6.7 billion

TRADE: U.S., Japan Send Envoys to Discuss Sanctions

(Continued from first finance page) that Japan would refrain from taking immediate retaliatory action against the United States.

He condemned the decision to impose punitive tariffs, but said: "Hoping to prevent this issue from causing severe damage to the world's free trading system, the Japanese government has decided, from this broader perspective, not to take any retaliatory measures immediately."

He reaffirmed that Japan would file an appeal with GATT. Although a ruling supporting Japan's claim that the U.S. punitive tariffs violate GATT rules would give international sanction to retaliatory tariffs by Japan, Mr. Reagan is widely expected to lift the sanc-

ons before any decision could be reached in GATT.

Echoing remarks by the White House chief of staff, Howard H. Baker Jr., Mr. Tamura said that "a trade war will not occur."

Mr. Tamura said he would present new data to Mr. Veutter this week and renew an appeal for immediate withdrawal of the sanc-

were not dumping to third-country markets by April 29, when Mr. Nakasono is to visit Washington.

"The problem is whether the United States will evaluate that data as convincing," he said.

Mr. Marks, 59, head of the Chicago regional office since 1970, said "The simple notion our trade deficit can be solved on a bilateral basis by getting tough with Japan is offering false hope in the nation and could be devastating to the world trading system."

ASIA: ADB Says Low Prices, Debt Cut Public Borrowing

(Continued from first finance page) New Zealand and nearly all countries in the European Community.

The report described the outlook for economic growth in its developing member countries in 1987 and beyond as "rather mixed."

But it said that despite difficult international conditions, the completed value of goods and services produced by those countries, excluding investment abroad, rose by 6 percent last year. The figure compared favorably with other parts of the world.

Some of the larger developing members of the bank are China, India, Indonesia, Bangladesh, the Philippines, Thailand, Pakistan, South Korea, Vietnam, Sri Lanka, Malaysia and Burma.

The annual report said that by the end of 1986, the bank had completed performance audits of 212 projects.

The assessments concluded that more than two-thirds of the projects had substantially achieved their objectives. But the bank added that "it has also been found that there has been a tendency toward optimistic estimation of econom-

ic internal rates of return at appraisal."

The bank reported delays and other problems associated with loans to Bangladesh, Bhutan, Burma, Indonesia, Laos, Nepal, Pakistan, Papua New Guinea, the Philippines and Sri Lanka.

It said that progress was hampered by shortages of counterpart funds from recipient governments, low manpower, institutional constraints and cumbersome procedural requirements.

On the outlook for 1987 and beyond, the bank said that newly industrialized countries would have lower rates of economic growth than in the past.

It said that the economies of Hong Kong, Taiwan and South Korea are likely to grow by between 6 percent and 8 percent a year while the rate for Singapore would be around 5 percent.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table with columns for Stock Name, High, Low, Close, Net Change. Includes various OTC stocks like AET, AIG, ALC, etc.

NYSE Most Actives

Table with columns for Vol., High, Low, Last, Chg. Includes stocks like AT&T, IBM, GE, etc.

AMEX Most Actives

Table with columns for Vol., High, Low, Last, Chg. Includes stocks like Domet, Wickes, etc.

NYSE Diaries

Table with columns for Total for week, Year ago, Two years ago, etc.

AMEX Sales

Table with columns for Total for week, Year ago, Two years ago, etc.

NYSE Diaries

Table with columns for Issuer, Con, Mat, Price, Yld, Cur, Vol. Includes various bonds.

AMEX Sales

Table with columns for Issuer, Con, Mat, Price, Yld, Cur, Vol. Includes various bonds.

France to Sell 20% of Havas

PARIS — The Finance Ministry is to sell private bidders up to 20 percent of the shares of Agence Havas SA, the advertising group.

Havas, which is 50.26 percent owned by the state, is one of 65 companies in the government's denationalization program.

Up to 630,400 Havas shares with a nominal value of 100 francs (\$16.60) each will be sold, out of the group's total capital of 2.63 million shares and 525,000 investment certificates, the ministry said Friday.

Investors can bid for between 21,520 and 157,600 shares, representing 1 percent to 5 percent of the group's capital.

Euromarts At a Glance

Table with columns for Country, Rate, Bid, Ask. Includes various European currencies.

Euromark Yields

Table with columns for U.S. 100, 100, 100, 100, 100. Includes various European yields.

Weekly Sales

Table with columns for Category, Sales, % Chg. Includes various weekly sales figures.

International Bond Prices

Large table with columns for Issuer, Con, Mat, Price, Yld, Cur, Vol. Includes various international bonds.

Yen Straights

Table with columns for A/D, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z. Includes various Yen straight rates.

Wall Street Review

Table with columns for NYSE Most Actives, AMEX Most Actives, NYSE Diaries, AMEX Sales. Includes various market data.

DM Zero Coupons

Table with columns for Issuer, Con, Mat, Price, Yld, Cur, Vol. Includes various DM zero coupon bonds.

ECU Straights

Table with columns for Issuer, Con, Mat, Price, Yld, Cur, Vol. Includes various ECU straight bonds.

SPORTS

NBA Suns Have 3 Indicted on Drug Charges; Davis Suspended

PHOENIX, Arizona — Three players for the Phoenix Suns of the National Basketball Association have been indicted on drug charges and another, all-star guard Walter Davis, has been suspended for cocaine use.

At least one more indictment from the Maricopa County grand jury is expected to be handed down, authorities said Saturday.

The players, James Edwards, Jay Humphries and Grant Gondrezick, were indicted by the grand jury investigating cocaine trafficking and face permanent banishment from the NBA.

Former players Garfield Heard and Mike Bratz also were indicted, along with three Phoenix-area businessmen, team photographer Joey Beninato and Kevin Merriweather, 26, who is the roommate of rookie

center Williams Bedford and the son of one of Bedford's three agents.

Phoenix television station KPNX reported that Bedford and Davis had been granted immunity from prosecution in return for testifying before the grand jury.

Phoenix Police Chief Ruben Ortega said evidence showed that Davis, Bedford and four other former Suns, Johnny High, Curtis Perry, Alvin Scott and Don Buse, were "present or had knowledge of illegal drug transactions."

The Suns' general manager, Jerry Colangelo, said Davis admitted he had become involved with cocaine again and would re-enter a drug treatment program.

Davis, who underwent 30 days of voluntary treatment for cocaine and alcohol abuse at a Southern California clinic in January 1986, admitted Friday he had had a relapse, Colangelo said. A five-time all-star and the

NBA's rookie of the year in 1977-78, Davis was suspended without pay.

The NBA commissioner, David Stern, said Edwards, Humphries and Gondrezick underwent drug tests Friday "and the results should be available on Monday. Any player whose test results are positive automatically will be permanently disqualified from the NBA."

Stern said that if any of the players were convicted of a "crime involving the use or distribution of cocaine, he will be permanently disqualified from the NBA."

In the Suns' last game of the season, on Saturday, Humphries played against the Los Angeles Clippers and Gondrezick was in uniform on the Suns' bench. Edwards was out with an injury.

Police Chief Ortega announced the indictments, which were returned Thursday. He said they came after a two-month probe by the police spe-

cial investigations bureau, and added that the investigation was continuing.

Maricopa County Attorney Tom Collins said the investigation showed "the players were frequenting a local establishment and obtaining cocaine."

He said the probe "focused on individuals and individual acts and not on the Phoenix Suns organization as a whole."

Edwards, 31, a nine-year veteran center, was indicted on three counts: conspiracy to possess a narcotic drug, conspiracy to transfer a narcotic drug and conspiracy to possess or transfer a narcotic drug.

Humphries, 24, a third-year guard, was indicted on one count of conspiracy to transfer and/or possess marijuana and/or a narcotic drug. A starter, he has broken the team record for assists in a single season, with 605.

Gondrezick, 24, a rookie guard,

was indicted on three counts: conspiracy to possess a narcotic drug, transfer or offer to transfer a narcotic drug and attempt to possess a narcotic drug.

Bratz, 31, was indicted on three counts: conspiracy to traffic in a narcotic drug, conspiracy to transfer and/or possess narcotic drugs and conspiracy to traffic a narcotic drug or marijuana. He was arrested in Sacramento, California on the drug charges and released on \$25,000 bail.

Heard, 38, was indicted on one count of conspiracy to traffic a narcotic drug or marijuana. He joined the Suns in 1976 and last was with the team in the 1979-80 season. He has been chairman of the Phoenix youth commission and a member of a drug-abuse task force appointed by Mayor Terry Goddard.

The narcotic drug was separately identified as cocaine. "There's another indictment we

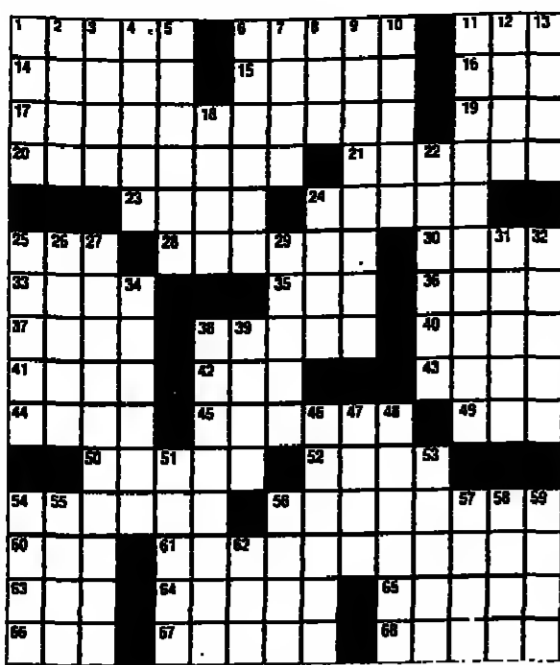
can't release yet because some of the

subjects have not been identified yet," said James Keppel, a deputy county attorney who is leading the investigation.

He declined to say whether those named in the still-secret indictment are professional basketball players. "We honestly can't answer" when the investigation will end, said Collins, who declined comment on reports that gambling is part of the investigation.

The probe reportedly is looking into allegations that a non-player won \$100,000 by placing an "over-under" bet on the Suns' home game Feb. 21 against the Milwaukee Bucks.

A current player reportedly told several people at a Phoenix nightclub before the game that the point total would not exceed 226. The Suns committed 26-movers in the game and lost, 115-107.



ACROSS 1 Witticisms 6 Brag 11 Brit defenders 14 What 'ye faithful' do 15 Sloggers 16 Wallach or Whitney 17 Seemingly contradictory 19 Bagel accompaniment 20 Comes forth 21 Make ineffective 23 Rouse 24 Saharan antelope 25 Saturn's wife 26 Ancient Jewish ascetic 30 Byron work 33 Author 35 O'Flaherty 36 Broadcast 38 Like — of bricks 37 Skirt style 38 Crumbly earth deposits 40 The act of: Br. suffix 41 A Slaughterer 42 Elec. unit 43 Bondage 44 Beat pounders 45 Wrester

Solution to Friday's Puzzle

AFFECT STOCKE O SUITOR ARRANGE O INTONE TEAPARTY ADS SAGEST PEEN SOSO TIM TRE EPSILON LOAO LEMONE ENGRORS LAMEO NORIA STEWARD PRIMARY STER RESOLES ASP EPA AMOS STAT LIBYAN OAM KEROSENE RACINE SEMESTER KNIVES PAISTERIN STIREWS

Islanders Oust Capitals in 5th Longest NHL Game

By Robert Facht Washington Post Service

LANDOVER, Maryland — Pat LaFontaine's goal after 68 minutes, 47 seconds of sudden-death overtime Saturday night brought an end to the fifth longest game in National Hockey League history and gave the New York Islanders a 3-2 victory over the Washington Capitals in the Patrick Division semifinal playoffs.

The Islanders won the best-of-seven series by four games to three, and will play the Flyers in Philadelphia on Monday night.

The Capitals, who held a 3-1 lead in the series, and who were not

shutout all season, were blanked for the last 90:02 of the game. They took 75 shots at goalie Kelly Hrudey, while the Islanders won on their 57th shot.

It came after Gord Dineen brought the puck from behind the Washington net, only to have his attempted shot deflected to LaFontaine at the right point. LaFontaine beat screened goalie Bob Mason on the short side.

Mike Gartner scored the only goal of the first period as the Capitals dominated play, outshooting the Islanders, 15-5.

Grant Martin, just recalled from the minors, scored his first NHL goal with 1:15 left in the second

period to make it 2-1. Patrick Flatley had made it 1-1 at 11:35 after limping off from a devastating check by Scott Stevens. He was not off long, however, before putting the puck between Mason's legs with a screened drive from the high slot.

The Capitals could have put the game out of reach before Flatley put the Islanders on the board, since Mike Ridley twice hit posts with open nets, beckoning. At the six-minute mark of that period the Capitals' shot margin was 22-6. In the next 11 minutes, they were unable to put a shot on goal.

With 64 minutes left in regulation, Hrudey stopped a backhander

by Dave Christian, then Kelly Miller's rebound was deflected wide before the Islanders tied, 2-2, with 5:23 left. Trotter broke down the right wing, took Alan Kzar's pass behind Stevens and, as he was stick-checked, launched a backhander that slipped between Mason's pads.

The action was unceasing down the stretch as both teams came close to winning in regulation time: But it became the first NHL game to require two overtimes since Gartner's goal at 21:23 gave the Capitals a 2-1 victory over Hrudey and the Islanders on April 11, 1985. It then became the first triple overtime contest since 1971, when the New York Rangers beat Chicago, 3-2, at 41:29.

30,000th Point Scored by Erving

The Associated Press

PHILADELPHIA — Julius Erving, in his last regular-season appearance Friday night at the Spectrum, became the third player in the history of professional basketball to score 30,000 points.

He got 38 in the Philadelphia 76ers' 115-111 loss to the Indiana Pacers, and with his 35th and 36th points, on a turnaround jump shot with 4:59 left in the third period, joined Kareem Abdul-Jabbar and Wilt Chamberlain as the only players with 30,000. Abdul-Jabbar has 36,459, Chamberlain, retired with 31,419.

DENNIS THE MENACE



MAKE 'EM ON BROWN BREAD, MOM. THEN WE WON'T HAVE TO WASH OUR HANDS!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. You might want to clean your room first! ANS YOU looking? ARE YOU looking? WHAT A SPOILED BRAT DOES. Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon. Print answer here: O O O O HIS OWN (Answers tomorrow)

Friday's Jumbles: ANNIL LIBEL ZIGZAG SULTRY Answer: What the bee got when he tied to phone home—THE "BUZZY" SIGNAL

WEATHER

Table with weather forecasts for various regions including Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Columns include High, Low, and other weather indicators.

MONDAY'S FORECAST — CHANNEL: High, FRANKFURT: Cloudy, Temp 19-21 (64-68). LONDON: Sunny, Temp 14-17 (57-63). PARIS: Partly Cloudy, Temp 14-17 (57-63). NEW YORK: Cloudy, Temp 14-17 (57-63). ROME: Fair, Temp 20-24 (68-75). TEL AVIV: Sunny, Temp 20-24 (68-75). WASHINGTON: Partly Cloudy, Temp 14-17 (57-63). YOKOHAMA: Partly Cloudy, Temp 14-17 (57-63). HONG KONG: Partly Cloudy, Temp 14-17 (57-63). MANILA: Partly Cloudy, Temp 14-17 (57-63). SINGAPORE: Partly Cloudy, Temp 14-17 (57-63). TOKYO: Partly Cloudy, Temp 14-17 (57-63).

PEANUTS



BLONDIE



BEEBLE BAILEY



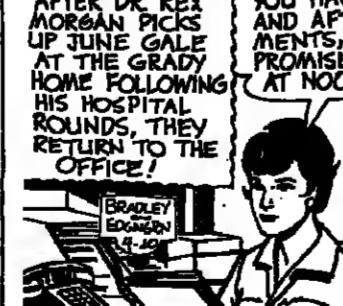
ANDY CAPP



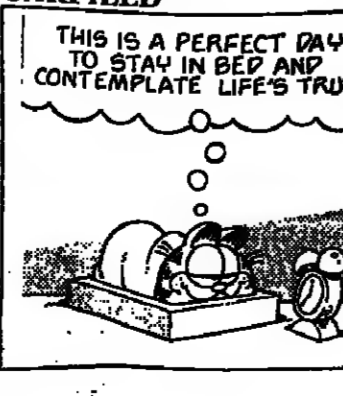
WIZARD of ID



REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Trading in Amsterdam last week began on a lackluster note, extending the previous week's trend as the dollar weakened. Share prices generally tended lower, although there were several exceptions among stocks related to oil storage and harbors. On Thursday, the final trading day, international were up slightly, but most prices were unchanged. The ANP-CBS share index closed at 286 points, down from 287.9 the previous week.

Kempen & Co. of Amsterdam said that volume in the coming week would remain low because of the Easter holidays.

Frankfurt

After a difficult start to a week that was marked by the dollar's difficulties and pessimistic economic indicators, Frankfurt stocks closed strongly Thursday, and the Commerzbank index finished 14.2 points up, at 1,809.9. Trading volume was weak, totaling 12.14 billion Deutsche marks, against 17.68 billion the previous week. Star performer was the automobile sector. BMW rose 23.50 to 540 DM, and Daimler-Benz rose 32.50 to 1,013.50. Volkswagen, however, moved down 0.50 DM. In electronics, AEG gained 11 DM to close at 316, and Siemens gained 9.30 to 703.30. Deutsche Bank, Commerzbank and Dresdner posted modest gains, and in chemicals, Hoechst, Bayer and BASF were healthy.

Hong Kong

Hong Kong stocks lost ground last week, amid worries about U.S.-Japan trade friction and the impact of the dollar's decline on the colony's import bill. The Hang Seng Index closed Thursday at 2,721.12, down 45.29 points. The market lost ground Monday and Tuesday in what dealers attributed to fears that Hong Kong's import bill may rise sharply as the dollar depreciates. The Hong Kong dollar has been officially pegged at around 7.80 to the U.S. currency since October 1983. By the end of the trading week, bargain hunters had turned the market around to the point where it had recouped nearly half of its early 97-point drop. Dealers said they expected the market to continue a modest upward trend this week, although the U.S.-Japan trade dispute would again be a key factor.

London

After a weak start, share prices staged a technical rally last week on the London Stock Exchange, ahead of the Easter break. The Financial Times industrial share index, which plunged to its lowest for more than 10 weeks early in the week, ended on Thursday with a net gain of 16.5 points, at 1,540.3. Sentiment was initially overshadowed by the sharp decline in the dollar after news of the larger-than-expected U.S. merchandise trade deficit last month.

But steadier conditions developed later in the week, helped by a rally on Wall Street, more stable conditions on currency markets, a batch of favorable economic forecasts and several opinion polls giving the Conservatives a sizable lead over opposition parties. Among companies reporting results, Blue Circle, Hawker Siddeley, Taylor Woodrow and RMC improved after satisfactory final figures, while Glaxo eased after disappointing interim figures.

Milan

Milan stocks last week reached their highest point this year. The Comit Index moved upward during each of the five trading days, to close 4.2 percent higher at 755.92, after the previous week's finish of 725.01. Trading volume, which had been low the previous week, also rebounded. A total of 274 million shares changed hands, compared with the previous week's 166 million, for a value of 1.55 trillion lire, after 896-billion. The strongest progression was in the industrial sector. Olivetti leaped 6.7 percent, while Fiat's ordinary shares increased by 4.4 percent and its preference shares by 5.6 percent. Montedison rose 2.8 percent. Even more startling was a mini-boom in insurance: Lloyd's rose 14.7 percent and Ansonia 10.6 percent.

Paris

Paris stocks lost ground last week as the dollar slid, but edged upward as it strengthened. The CAC index closed Thursday at 450.1, compared with 449.3 the previous Friday. Analysts said Paris remained a buoyant market despite the shortened week's trading and the absence of some key market-makers. Liquidity remains high. The bourse's capitalization last month reached a record 1.15 trillion francs, and the cash inflow is still strong, analysts said.

They pointed to the continued interest of small French investors, initially enticed by the privatization of state assets, and of U.S. pension funds and Japanese corporate investors.

The leading sector of the week was civil engineering, with GIM Enterprise and Bouygues the big performers.

Singapore

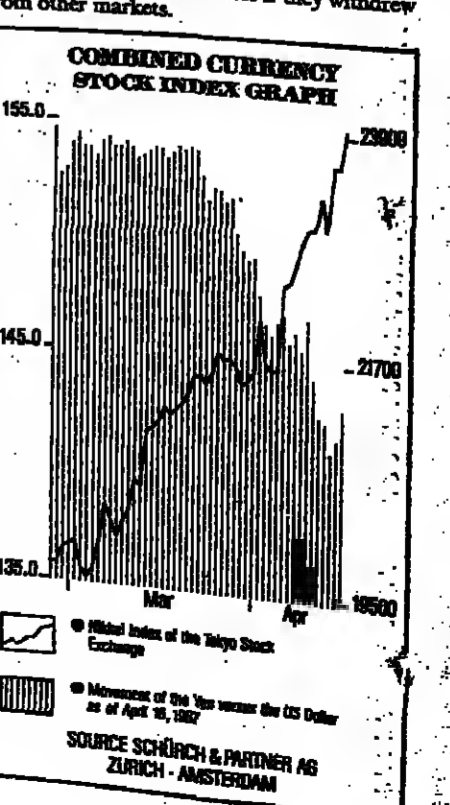
Share prices gained further ground last week on the Singapore stock market, with the Straits Times industrial index recording a new high of 1,104.35 points on Monday. Sentiment was boosted by a strong demand for Malaysian stocks and selected Singapore blue chips. Toward the end of the holiday-shortened week, bargain-hunters and profit-takers were active and the market closed on a mixed note. The Straits Times industrial index lost 2.8 points for the week to close at 1,095.13.

Tokyo

Share prices kept rising on the Tokyo stock market last week in turbulent sessions that sent the key indicators soaring to all-time highs. The Nikkei stock average of 225 blue chips, a closely-watched market barometer, closed the week Friday at a record 23,938.35 yen for a 726.16 yen weekly gain. The composite index of all common stocks also finished the week at a record of 2,171.97 points. It posted a 139.43-point weekly gain. Tuesday saw the Nikkei register a single-session record rise of 604.54 yen amid expectations of lower domestic interest rates. Analysts attributed the surge to an influx of cash from Japanese institutional investors, re-emerging from U.S. government bonds in an effort to hedge against foreign-exchange losses. Shigemori Yasumatsu, general manager of Daiwa Security Co., predicted that the Nikkei could reach 25,000 yen in a few weeks.

Zurich

Zurich stocks closed lower Thursday after a four-day trading week that was marked by the dollar's fluctuations. The Credit Suisse general index closed at 533.5 points, against 538.9 points the previous week, while the Swiss Bank Corp. index was fixed at 628.8, against 635.5. The downward trend was attributed to the falling dollar, which plunged below the important marker of 1.50 Swiss francs. Analysts said they expected this week's trading to be bumpy. There was some hope that the Japanese investors would divert some of their liquidity to Swiss shares if they withdrew from other markets.



Vertical sidebar on the right edge of the page containing various advertisements and notices, including 'SPORTS', 'Major League Standings', and 'SCOREBOARD'.

SPORTS

SPORTS BRIEFS

Gulch Rallies to Win Wood Memorial

NEW YORK (NYT) — Gulch, the best 2-year-old thoroughbred in the United States last summer but a disappointment ever since, rallied from far back in the field to win the Wood Memorial...

Sauers, Jones Hold 3d-Round Lead

HILTON HEAD ISLAND, South Carolina (AP) — Gene Sauers and Steve Jones held a three-round lead in the Florida Classic...

Excluded Fans Riot at Safari Rally

NAIROBI (AFP) — Hundreds of people were injured, cars stoned and looted early Saturday after Safari Rally officials refused spectators entry into a rally control point.

Honeyghan Keeps Welterweight Title

LONDON (AP) — Britain's Lloyd Honeyghan won a unanimous 12-round decision Saturday over Maurice Blocker of the United States to retain his World Boxing Council and International Boxing Federation welterweight championships.

For the Record

Twelve top South African sports figures publicly announced Sunday their support for an anti-government reform alliance in the whites-only elections on May 6.

Quotable

Tony LaRussa, manager of the Oakland A's: "When you're not winning, it's tough to win a game."

Schmidt's 500th: When It Counted

PITTSBURGH — Mike Schmidt hit his 500th home run exactly the way he wanted — with two out in the ninth inning and the game on the line.



Mike Schmidt hits 500th homer on 3-0 count with two out in the ninth.

Homers No. 1 and No. 250 Lead Reds Past Astros

CINCINNATI — Kurt Stillwell's first major-league home run, a grand slam, and Dave Parker's 250th career homer, a three-run blast, powered the Cincinnati Reds to a 9-8 victory Friday night over the Houston Astros in a National League game.

Friday Baseball

Out a homer in his previous 297 at-bats in the majors. Left-hander Rob Murphy got his second victory without a loss in relief of starter Bill Landrum.

Some Marathon Runners Driven by More Than Urge to Win

BOSTON — Johnny Kelly, "the elder," won the Boston Marathon twice. But now he just strives to cross the finish line in less than five hours, a pace that puts him at the back of the pack.

her dwindling age group. For five years, a cosmetics company sponsored her on the running circuit, and for a time she lived in California. Every weekend she races, whether in New Zealand, Boston or in towns near Miami.

1935 and 1945 and finished in the top 10 in 19 marathons. Although he had run for years, the nickname "the Elder" didn't come until 1957, when John J. Kelley, that winner, thought not related, is called "the Younger."

SCOREBOARD

Table with columns for Baseball, Basketball, Tennis, and Transition. It lists scores for various games and events.

Baseball

Table listing baseball game results, including teams, scores, and key players.

Basketball

Table listing basketball game results, including teams, scores, and key players.

Brewers Tie Record For Opening Streak In AL, 11 Straight

MILWAUKEE — Glenn Braggs drove in three runs and Rob Deer hit a home run Saturday, helping the Milwaukee Brewers tie an American League record for most victories at the start of a season with a 4-3 decision over the Texas Rangers.

Red Sox 6, Blue Jays 4: In Toronto, rookie Danny Sheffield went two for four and drove in two runs, helping Boston take advantage of a shaky defense.

Transition

Table listing tennis and hockey game results, including players and scores.

Hockey

Table listing hockey game results, including teams and scores.

World Championships

Table listing world championship results for various sports.

